

Form 1-A Issuer Information	UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549	OMB APPROVAL
FORM 1-A	FORM 1-A REGULATION A OFFERING STATEMENT UNDER THE SECURITIES ACT OF 1933	OMB Number: 3235-0286
		Estimated average burden hours per response: 608.0

1-A: Filer Information

Issuer CIK	<input type="text" value="0001821534"/>
Issuer CCC	<input type="text" value="XXXXXXXX"/>
DOS File Number	<input type="text"/>
Offering File Number	<input type="text"/>
Is this a LIVE or TEST Filing?	<input checked="" type="radio"/> LIVE <input type="radio"/> TEST
Would you like a Return Copy?	<input type="checkbox"/>
Notify via Filing Website only?	<input type="checkbox"/>
Since Last Filing?	<input type="checkbox"/>

Submission Contact Information

Name	<input type="text"/>
Phone	<input type="text"/>
E-Mail Address	<input type="text"/>

1-A: Item 1. Issuer Information

Issuer Information

Exact name of issuer as specified in the issuer's charter	<input type="text" value="Exodus Movement, Inc."/>
Jurisdiction of Incorporation / Organization	<input type="text" value="DELAWARE"/>
Year of Incorporation	<input type="text" value="2016"/>
CIK	<input type="text" value="0001821534"/>
Primary Standard Industrial Classification Code	<input type="text" value="SERVICES-COMPUTER PROGRAMMING SERVICES"/>
I.R.S. Employer Identification Number	<input type="text" value="81-3548560"/>
Total number of full-time employees	<input type="text" value="60"/>
Total number of part-time employees	<input type="text" value="4"/>

Contact Information

Address of Principal Executive Offices

Address 1	<input type="text" value="15418 WEIR STREET"/>
Address 2	<input type="text" value="#333"/>
City	<input type="text" value="OMAHA"/>
State/Country	<input type="text" value="NEBRASKA"/>
Mailing Zip/ Postal Code	<input type="text" value="68137"/>
Phone	<input type="text" value="833-992-2566"/>

Provide the following information for the person the Securities and Exchange Commission's staff should call in connection with any pre-qualification review of the offering statement.

Name	<input type="text" value="Amy Caiazza"/>
------	--

Address 1	<input type="text"/>
Address 2	<input type="text"/>
City	<input type="text"/>
State/Country	<input type="text"/>
Mailing Zip/ Postal Code	<input type="text"/>
Phone	<input type="text"/>

Provide up to two e-mail addresses to which the Securities and Exchange Commission's staff may send any comment letters relating to the offering statement. After qualification of the offering statement, such e-mail addresses are not required to remain active.

Financial Statements

Use the financial statements for the most recent period contained in this offering statement to provide the following information about the issuer. The following table does not include all of the line items from the financial statements. Long Term Debt would include notes payable, bonds, mortgages, and similar obligations. To determine "Total Revenues" for all companies selecting "Other" for their industry group, refer to Article 5-03(b)(1) of Regulation S-X. For companies selecting "Insurance", refer to Article 7-04 of Regulation S-X for calculation of "Total Revenues" and paragraphs 5 and 7 of Article 7-04 for "Costs and Expenses Applicable to Revenues".

Industry Group (select one)	<input type="radio"/> Banking <input type="radio"/> Insurance <input checked="" type="radio"/> Other
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Balance Sheet Information

Cash and Cash Equivalents	<input type="text" value="\$ 2612000.00"/>
Investment Securities	<input type="text" value="\$ 0.00"/>
Total Investments	<input type="text" value="\$"/>
Accounts and Notes Receivable	<input type="text" value="\$ 2753000.00"/>
Loans	<input type="text" value="\$"/>
Property, Plant and Equipment (PP&E):	<input type="text" value="\$ 390000.00"/>
Property and Equipment	<input type="text" value="\$"/>
Total Assets	<input type="text" value="\$ 20751000.00"/>
Accounts Payable and Accrued Liabilities	<input type="text" value="\$ 1537000.00"/>
Policy Liabilities and Accruals	<input type="text" value="\$"/>
Deposits	<input type="text" value="\$"/>
Long Term Debt	<input type="text" value="\$ 1391000.00"/>
Total Liabilities	<input type="text" value="\$ 2928000.00"/>
Total Stockholders' Equity	<input type="text" value="\$ 17823000.00"/>
Total Liabilities and Equity	<input type="text" value="\$ 20751000.00"/>

Statement of Comprehensive Income Information

Total Revenues	<input type="text" value="\$ 21251000.00"/>
Total Interest Income	<input type="text" value="\$"/>
Costs and Expenses Applicable to Revenues	<input type="text" value="\$ 8806000.00"/>
Total Interest Expenses	<input type="text" value="\$"/>

Depreciation and Amortization	<input type="text" value="\$ 736000.00"/>
Net Income	<input type="text" value="\$ 8177000.00"/>
Earnings Per Share - Basic	<input type="text" value="\$ 0.36"/>
Earnings Per Share - Diluted	<input type="text" value="\$ 0.41"/>
Name of Auditor (if any)	<input type="text" value="Withum Smith Brown, PC"/>

Outstanding Securities

Common Equity	
Name of Class (if any) Common Equity	<input type="text" value="Class A common stock"/>
Common Equity Units Outstanding	<input type="text" value="0"/>
Common Equity CUSIP (if any):	<input type="text"/>
Common Equity Units Name of Trading Center or Quotation Medium (if any)	<input type="text"/>

Common Equity	
Name of Class (if any) Common Equity	<input type="text" value="Class B common stock"/>
Common Equity Units Outstanding	<input type="text" value="20011830"/>
Common Equity CUSIP (if any):	<input type="text" value="0"/>
Common Equity Units Name of Trading Center or Quotation Medium (if any)	<input type="text" value="0"/>

Preferred Equity	
Preferred Equity Name of Class (if any)	<input type="text"/>
Preferred Equity Units Outstanding	<input type="text" value="0"/>
Preferred Equity CUSIP (if any)	<input type="text"/>
Preferred Equity Name of Trading Center or Quotation Medium (if any)	<input type="text"/>

Debt Securities	
Debt Securities Name of Class (if any)	<input type="text"/>
Debt Securities Units Outstanding	<input type="text" value="0"/>
Debt Securities CUSIP (if any):	<input type="text"/>
Debt Securities Name of Trading Center or Quotation Medium (if any)	<input type="text"/>

1-A: Item 2. Issuer Eligibility

Issuer Eligibility

Check this box to certify that all of the following statements are true for the issuer(s)

☒

- Organized under the laws of the United States or Canada, or any State, Province, Territory or possession thereof, or the District of Columbia.
- Principal place of business is in the United States or Canada.
- Not subject to section 13 or 15(d) of the Securities Exchange Act of 1934.
- Not a development stage company that either (a) has no specific business plan or purpose, or (b) has indicated that its business plan is to merge with an unidentified company or companies.
- Not an investment company registered or required to be registered under the Investment Company Act of 1940.
- Not issuing fractional undivided interests in oil or gas rights, or a similar interest in other mineral rights.
- Not issuing asset-backed securities as defined in Item 1101 (c) of Regulation AB.

- Not, and has not been, subject to any order of the Commission entered pursuant to Section 12(j) of the Exchange Act (15 U.S.C. 78l(j)) within five years before the filing of this offering statement.
- Has filed with the Commission all the reports it was required to file, if any, pursuant to Rule 257 during the two years immediately before the filing of the offering statement (or for such shorter period that the issuer was required to file such reports).

1-A: Item 3. Application of Rule 262

Application Rule 262

Check this box to certify that, as of the time of this filing, each person described in Rule 262 of Regulation A is either not disqualified under that rule or is disqualified but has received a waiver of such disqualification.

☒

Check this box if "bad actor" disclosure under Rule 262(d) is provided in Part II of the offering statement.

☐

1-A: Item 4. Summary Information Regarding the Offering and Other Current or Proposed Offerings

Summary Infomation

Check the appropriate box to indicate whether you are conducting a Tier 1 or Tier 2 offering

☐ Tier1 ☒ Tier2

Check the appropriate box to indicate whether the financial statements have been audited

☐ Unaudited ☒ Audited

Types of Securities Offered in this Offering Statement (select all that apply)

☒ Equity (common or preferred stock)

Does the issuer intend to offer the securities on a delayed or continuous basis pursuant to Rule 251(d)(3)?

☐ Yes ☒ No

Does the issuer intend this offering to last more than one year?

☐ Yes ☒ No

Does the issuer intend to price this offering after qualification pursuant to Rule 253(b)?

☐ Yes ☒ No

Will the issuer be conducting a best efforts offering?

☒ Yes ☐ No

Has the issuer used solicitation of interest communications in connection with the proposed offering?

☐ Yes ☒ No

Does the proposed offering involve the resale of securities by affiliates of the issuer?

☒ Yes ☐ No

Number of securities offered

2733229

Number of securities of that class outstanding

0

The information called for by this item below may be omitted if undetermined at the time of filing or submission, except that if a price range has been included in the offering statement, the midpoint of that range must be used to respond. Please refer to Rule 251(a) for the definition of "aggregate offering price" or "aggregate sales" as used in this item. Please leave the field blank if undetermined at this time and include a zero if a particular item is not applicable to the offering.

Price per security

\$ 27.4200

The portion of the aggregate offering price attributable to securities being offered on behalf of the issuer

\$ 52500000.00

The portion of the aggregate offering price attributable to securities being offered on behalf of selling securityholders

\$ 22455135.00

The portion of the aggregate offering price attributable to all the securities of the issuer sold pursuant to a qualified offering statement within the 12 months before the qualification of this offering statement

\$ 0.00

The estimated portion of aggregate sales attributable to securities that may be sold pursuant to any other qualified offering statement concurrently with securities being sold under this offering statement

\$ 0.00

Total (the sum of the aggregate offering price and aggregate sales in the four preceding paragraphs)

\$ 74955135.00

Anticipated fees in connection with this offering and names of service providers

Underwriters - Name of Service Provider

Underwriters - Fees

\$

Sales Commissions - Name of Service Provider	<input type="text"/>	Sales Commissions - Fee	<input type="text" value="\$"/>
Finders' Fees - Name of Service Provider	<input type="text"/>	Finders' Fees - Fees	<input type="text" value="\$"/>
Accounting or Audit - Name of Service Provider	<input type="text" value="WithumSmith&Brown, PC"/>	Accounting or Audit - Fees	<input type="text" value="\$ 324196.00"/>
Legal - Name of Service Provider	<input type="text" value="Wilson Sonsini Goodrich & Rosati, P.C."/>	Legal - Fees	<input type="text" value="\$ 1200000.00"/>
Promoters - Name of Service Provider	<input type="text"/>	Promoters - Fees	<input type="text" value="\$"/>
Blue Sky Compliance - Name of Service Provider	<input type="text"/>	Blue Sky Compliance - Fees	<input type="text" value="\$"/>
CRD Number of any broker or dealer listed:	<input type="text"/>		
Estimated net proceeds to the issuer	<input type="text" value="\$ 51000000.00"/>		
Clarification of responses (if necessary)	<input type="text"/>		

1-A: Item 5. Jurisdictions in Which Securities are to be Offered

Jurisdictions in Which Securities are to be Offered

Using the list below, select the jurisdictions in which the issuer intends to offer the securities

Selected States and Jurisdictions	<input type="text" value="ALABAMA"/>
	<input type="text" value="ALASKA"/>
	<input type="text" value="ARKANSAS"/>
	<input type="text" value="CALIFORNIA"/>
	<input type="text" value="COLORADO"/>
	<input type="text" value="CONNECTICUT"/>
	<input type="text" value="DELAWARE"/>
	<input type="text" value="DISTRICT OF COLUMBIA"/>
	<input type="text" value="GEORGIA"/>
	<input type="text" value="HAWAII"/>
	<input type="text" value="IDAHO"/>
	<input type="text" value="ILLINOIS"/>
	<input type="text" value="INDIANA"/>
	<input type="text" value="IOWA"/>
	<input type="text" value="KANSAS"/>
	<input type="text" value="KENTUCKY"/>
	<input type="text" value="LOUISIANA"/>
	<input type="text" value="MAINE"/>
	<input type="text" value="MARYLAND"/>
	<input type="text" value="MASSACHUSETTS"/>
	<input type="text" value="MICHIGAN"/>
	<input type="text" value="MINNESOTA"/>
	<input type="text" value="MISSISSIPPI"/>
	<input type="text" value="MISSOURI"/>
	<input type="text" value="MONTANA"/>
	<input type="text" value="NEBRASKA"/>
	<input type="text" value="NEVADA"/>
	<input type="text" value="NEW HAMPSHIRE"/>
	<input type="text" value="NEW JERSEY"/>
	<input type="text" value="NEW MEXICO"/>
	<input type="text" value="NEW YORK"/>
	<input type="text" value="NORTH CAROLINA"/>
	<input type="text" value="NORTH DAKOTA"/>
	<input type="text" value="OHIO"/>
	<input type="text" value="OKLAHOMA"/>
	<input type="text" value="OREGON"/>
	<input type="text" value="PENNSYLVANIA"/>
	<input type="text" value="PUERTO RICO"/>
	<input type="text" value="RHODE ISLAND"/>
	<input type="text" value="SOUTH CAROLINA"/>
	<input type="text" value="SOUTH DAKOTA"/>
	<input type="text" value="TENNESSEE"/>
	<input type="text" value="UTAH"/>
	<input type="text" value="VERMONT"/>
	<input type="text" value="VIRGINIA"/>

WASHINGTON
WEST VIRGINIA
WISCONSIN
WYOMING

Using the list below, select the jurisdictions in which the securities are to be offered by underwriters, dealers or sales persons or check the appropriate box

None



Same as the jurisdictions in which the issuer intends to offer the securities



Selected States and Jurisdictions

1-A: Item 6. Unregistered Securities Issued or Sold Within One Year

Unregistered Securities Issued or Sold Within One Year

None ☐

Unregistered Securities Issued

As to any unregistered securities issued by the issuer of any of its predecessors or affiliated issuers within one year before the filing of this Form 1-A, state:

(a) Name of such issuer	Exodus Movement, Inc.
(b)(1) Title of securities issued	Options to Purchase Class B Common Stock
(2) Total Amount of such securities issued	1091680
(3) Amount of such securities sold by or for the account of any person who at the time was a director, officer, promoter or principal securityholder of the issuer of such securities, or was an underwriter of any securities of such issuer.	0
(c)(1) Aggregate consideration for which the securities were issued and basis for computing the amount thereof.	0
(2) Aggregate consideration for which the securities listed in (b)(3) of this item (if any) were issued and the basis for computing the amount thereof (if different from the basis described in (c)(1)).	

Unregistered Securities Issued

As to any unregistered securities issued by the issuer of any of its predecessors or affiliated issuers within one year before the filing of this Form 1-A, state:

(a) Name of such issuer	Exodus Movement, Inc.
(b)(1) Title of securities issued	Class B Common Stock
(2) Total Amount of such securities issued	2929298
(3) Amount of such securities sold by or for the account of any person who at the time was a director, officer, promoter or principal securityholder of the issuer of such securities, or was an underwriter of any securities of such issuer.	0
(c)(1) Aggregate consideration for which the securities were issued and basis for computing the amount thereof.	\$54,272 (aggregate amount of consideration payable for the exercise of options under the option agreements)
(2) Aggregate consideration for which the securities listed in (b)(3) of this item (if any) were issued and the basis for computing the amount thereof (if different from the basis described in (c)(1)).	

Unregistered Securities Act

(d) Indicate the section of the Securities Act or Commission rule or regulation relied upon for exemption from the registration requirements of such Act and state briefly the facts relied upon for such exemption	Section 4(a)(2) of the Securities Act of 1933, as amended, and Rule 701 under the Securities Act of 1933, as amended
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An offering statement pursuant to Regulation A relating to these securities has been filed with the Securities and Exchange Commission. Information contained in this Preliminary Offering Circular is subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted before the offering statement filed with the Commission is qualified. This Preliminary Offering Circular shall not constitute an offer to sell or the solicitation of an offer to buy nor may there be any sales of these securities in any state in which such offer, solicitation or sale would be unlawful before registration or qualification under the laws of any such state. We may elect to satisfy our obligation to deliver a Final Offering Circular by sending you a notice within two business days after the completion of our sale to you that contains the URL where the Final Offering Circular or the offering statement in which such Final Offering Circular was filed may be obtained.

As filed with the Securities and Exchange Commission on February 26, 2021.

PART II — INFORMATION REQUIRED IN OFFERING CIRCULAR

Preliminary Offering Circular dated February 26, 2021



Exodus Movement, Inc.

2,733,229 shares of Class A Common Stock

Address:

15418 Weir Street, #333

Omaha, NE 68137

Exodus Movement, Inc. (“we” or the “Company”), a Delaware corporation (together with its affiliates, “Exodus”), is offering up to 1,914,661 shares of our Class A common stock, and the selling stockholders identified in this offering circular are offering an additional 818,568 shares of our Class A common stock (the “Offering”). We will not receive any proceeds from the sale of shares of Class A common stock by the selling stockholders. The initial price per share is \$27.42, for an aggregate offering amount of up to \$75,000,000. There is no required minimum number of securities or amount of proceeds that must be sold as a condition to completion of the Offering.

We have two classes of authorized common stock, Class A common stock and Class B common stock. All shares of our capital stock outstanding prior to this Offering are shares of our Class B common stock. The rights of the holders of Class A common stock and Class B common stock are identical, except with respect to voting and conversion rights. Each share of Class A common stock is entitled to one vote per share. Each share of Class B common stock is entitled to ten votes per share and is convertible into one share of Class A common stock. Outstanding shares of Class B common stock will represent approximately 99% of the voting power of our outstanding capital stock immediately following the closing of this Offering. Our Class A common stock initially will not be listed on any securities exchange or available to trade on any alternative trading system (“ATS”). We intend to make our Class A common stock available for trading on several ATS, including the tZERO ATS. However, we cannot provide any assurance that we will be successful in making our Class A common stock available to trade on any ATS. We do not intend to separately apply for the listing of our Class A common stock on any U.S. securities exchange. We will not offer or sell our Class A common stock within Arizona, Florida or Texas, or to any resident of those states.

We intend that each share of our Class A common stock will be represented by a digital Common Stock Token that will be viewed through the Exodus Platform. Common Stock Tokens are not shares of Class A common stock; rather, they are digital representations of the number of shares purchased and held by a given stockholder. Both our transfer agent, Securitize LLC, a Delaware limited liability company (the “Transfer Agent” or “Securitize”), and any ATS we may use may have the ability to both support trades in our Class A common stock and transfers of our Common Stock Tokens; however, it is not a condition to the closing of the Offering that the Common Stock Tokens be made available to holders of our Class A common stock or be able to be transferred on any ATS. The transfer of Common Stock Tokens may not be supported by all ATSs that may trade our Class A common stock. Holders of shares of our Class A common stock will always have the ability to transfer such shares through the book-entry transfer facilities of the Transfer Agent. Should we make Common Stock Tokens available, we reserve the right to discontinue the usage of Common Stock Tokens and revert to traditional or other methods of share certification.

We are selling our Class A common stock priced in U.S. dollars. In order to purchase shares of our Class A common stock, a new potential purchaser must first create an account on the website of our Transfer Agent. This can be done directly on the website of the Transfer Agent, or it can be done through a link to the Transfer Agent’s website from within the Exodus Platform. Potential purchasers must pay the purchase price for our Class A common stock in either Bitcoin, Ether, or USDC (the stablecoin issued by Circle). All proceeds for the sale of our Class A common stock will be held in escrow until the closing of the Offering. All of the Bitcoin, Ether and USDC proceeds for the sale of our Class A common stock will be held by Exodus in a separate wallet designated as the “crypto escrow wallet.” We will not use a third-party escrow agent in connection with this Offering. Upon the closing of the Offering, our Transfer Agent will record the issuance of each share of Class A common stock to the relevant purchasers, and we will release the escrowed proceeds to us and the selling stockholders. If the Offering is terminated or expires prior to the closing of the Offering and no shares of our Class A common stock have been issued, we will release the escrowed proceeds back to the relevant purchasers.

We have entered into a custody agreement with each selling stockholder, and each selling stockholder has granted us an irrevocable power of attorney, so as to enable us to sell the relevant selling stockholder’s shares on their behalf.

The Offering will commence within two calendar days following the qualification of the Offering. The Offering will terminate at the earlier of (1) December 31, 2021 (2) the date on which all 2,733,229 shares of our Class A common stock subject to the Offering have been sold, (3) the date which is one year after this Offering is qualified by the U.S. Securities and Exchange Commission (which we refer to as the “SEC” or the “Commission”), or (4) the date on which this Offering is earlier terminated by the Company in its sole discretion (which we refer to as the “Termination Date”).

See the section titled “Risk Factors” beginning on page 15 to read about factors you should consider before buying shares of our Class A common stock.

Neither the SEC nor any state securities commission has approved or disapproved these securities or determined if this offering circular is accurate or complete. Any representation to the contrary is a criminal offense.

	Per share	Total
Initial offering price	\$27.42	\$75,000,000
Proceeds to Exodus Movement, Inc., before expenses	\$27.42	\$52,500,000
Proceeds to the selling stockholders, before expenses	\$27.42	\$22,500,000

In conjunction with this Offering, we intend to directly list our Class A common stock on the MERJ Exchange in the Republic of Seychelles. Trading in our Class A common stock on the MERJ Exchange will be limited to non-U.S. persons located outside of the U.S.

The United States Securities and Exchange Commission does not pass upon the merits of or give its approval to any securities offered or the terms of the Offering, nor does it pass upon the accuracy or completeness of any offering circular or other solicitation materials. These securities are offered pursuant to an exemption from registration with the Commission; however, the Commission has not made an independent determination that the securities offered are exempt from registration.

Generally, no sale may be made to you in this Offering if the aggregate purchase price you pay is more than 10% of the greater of your annual income or net worth. Different rules apply to accredited investors and non-natural persons. Before making any representation that your investment does not exceed applicable thresholds, we encourage you to review Rule 251(d)(2)(i)(C) of Regulation A. For general information on investing, we encourage you to refer to www.investor.gov.

For more information concerning the procedures of the Offering, please refer to “Plan of Distribution” beginning on page 110.

We are following the “Offering Circular” disclosure format under Regulation A.

The date of this offering circular is February 26, 2021.

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Neither we nor the selling stockholders have authorized anyone to provide any information or to make any representations other than those contained in this offering circular or in any free writing prospectuses we have prepared. We and the selling stockholders take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We and the selling stockholders are offering to sell shares of our Class A common stock, and are seeking offers to buy shares of our Class A common stock, only in jurisdictions where such offers and sales are permitted. The information contained in this offering circular is current only as of its date.

IMPORTANT INFORMATION ABOUT THIS OFFERING CIRCULAR

Please carefully read the information in this offering circular and any accompanying offering circular supplements, which we refer to collectively as the “offering circular.” You should rely only on the information contained in this offering circular. We have not authorized anyone to provide you with different information. This offering circular may only be used where it is legal to sell these securities. You should not assume that the information contained in this offering circular is accurate as of any date later than the date hereof or such other dates as are stated herein or as of the respective dates of any documents or other information incorporated herein by reference.

This offering circular is part of an offering statement that we filed with the SEC, using a continuous offering process. Periodically, as we make material developments, we will provide an offering circular supplement that may add, update or change information contained in this offering circular. Any statement that we make in this offering circular will be modified or superseded by any inconsistent statement made by us in a subsequent offering circular supplement. The offering statement we filed with the SEC includes exhibits that provide more detailed descriptions of the matters discussed in this offering circular. You should read this offering circular and the related exhibits filed with the SEC and any offering circular supplement, together with additional information contained in our annual reports, semi-annual reports and other reports and information statements that we will file periodically with the SEC. See the section entitled “*Where You Can Find Additional Information*” on page [119](#) for more details.

The offering statement and all supplements and reports that we have filed or will file in the future can be read at the SEC website, www.sec.gov.

We will be permitted to make a determination that the purchasers of stock in this offering are “qualified purchasers” in reliance on the information and representations provided by the purchaser regarding the purchaser’s financial situation. **Before making any representation that your investment does not exceed applicable thresholds, we encourage you to review Rule 251(d)(2)(i)(C) of Regulation A. For general information on investing, we encourage you to refer to www.investor.gov.**

OFFERING SUMMARY

This offering summary highlights material information regarding our Class A common stock, our business and this offering. Because it is a summary, it may not contain all of the information that is important to you. To understand this offering fully, you should read the entire offering circular carefully, in particular the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the consolidated financial statements and the notes relating to those consolidated financial statements included elsewhere in this offering circular before making a decision to invest in our Class A common stock.

Unless the context requires otherwise, in this offering circular, the terms “we,” “us,” “our,” the “Company” and “Exodus” refer to Exodus Movement, Inc., and its wholly owned subsidiary, Proper Trust AG, a Swiss corporation.

This offering circular uses certain technical terms. These technical terms are defined in the “Glossary” beginning on page 9 in this offering circular.

Our Mission

Our mission is to ignite an exodus from the traditional banking system by empowering people to secure, manage and use their crypto assets. On December 9, 2015, we launched our desktop-based platform (the “**Exodus Platform**”) for holding and using their crypto assets, and every two weeks since our launch, we have released new updates that continued to develop, build on and improve the Exodus Platform.

We believe that crypto assets should be easy to use and easy to understand. Crypto assets have the potential to profoundly change the way society does business, manages its wealth and even looks at money itself—but unlocking these possibilities first requires that crypto assets be made accessible and engaging, without technical jargon or complexities obscuring the core features, benefits and uses of crypto assets.

We are relentlessly focused on delivering the best customer experience in the blockchain and crypto asset industry. We have built a platform that brings together a simple, elegant and intuitive interface with powerful functionality—including support for over 100 crypto assets, integrations with seven crypto-to-crypto exchanges and five number integrations with third-party applications, such as Compound Finance and SportX.

Digital Format Exodus Common Stock

We are offering shares of our Class A common stock. The shares will be issued in book-entry form as reflected on the books of Securitize, which is our Transfer Agent. For more information, see “*Description of Capital Stock*.” Purchases or transfers of our Class A common stock will be executed by the Transfer Agent.

Our Class A common stock exists solely as book-entry shares within the records of the Transfer Agent. Shares of our Class A common stock will not have traditional share certificates. We intend that each share of our Class A common stock will be represented by a digital Common Stock Token that will be viewed through the Exodus Platform. At the time of the commencement of this Offering, our Common Stock Tokens will not yet be available. We expect that our Common Stock Tokens will be available within nine months of the qualification of this offering. If we make Common Stock Tokens available we will notify our Class A common stock holders by filing a Form 1-U, contacting the holders of our Class A common stock directly through our desktop and mobile apps, and posting notices on our desktop and mobile apps. Common Stock Tokens are not shares of Class A common stock; rather, they are digital representations of the number of shares purchased and held by a given stockholder. It may be helpful to view this digital representation of the number of shares purchased and held (the “**digital stock record**”) as similar to a paper stock certificate - the digital stock record is a representation of how many shares of Class A common stock are owned by an individual, and a holder can reasonably expect that the digital stock record is correct, but the digital stock records are not the actual shares. We recognize that the use of Common Stock Tokens as representations of the number of shares purchased and held by a given stockholder is novel, and therefore we reserve the right to discontinue the usage of Common Stock Tokens and revert to traditional or other methods of share certification. Should we choose to discontinue the usage of Common Stock Tokens and revert to traditional or other methods of share certification, this decision would have no effect on the ability of holders of our Class A common stock to trade their Class A common stock on an ATS or through other means. The ownership and transfer of shares of our Class A common stock will be recorded in book-entry form by the Transfer Agent and, if we make Common Stock Tokens available, will also be recorded by the Transfer Agent on a blockchain network approved by our Transfer Agent using the Common Stock Tokens.

Although records of secondary transfers of Common Stock Tokens between stockholders, which we refer to as “peer-to-peer” transactions, would be viewable on a blockchain network, record and beneficial ownership of our Class A common stock are reflected on the book-entry records of the Transfer Agent. The Transfer Agent is regulated by the SEC and the Transfer Agent’s records constitute the official shareholder records for our Class A common stock and govern the record ownership of our Class A common stock in all circumstances.

Common Stock Tokens are “Securitize DS Protocol” digital tokens that are transferrable between approved accounts on the Exodus Platform in peer-to-peer transactions on a blockchain network approved by the Transfer Agent. Common Stock Tokens are created, held, distributed, maintained and deleted by the Transfer Agent, and not by Exodus. The Transfer Agent uses the Securitize DS Standard (which can interface with various blockchain networks’ programming standards) to program any relevant compliance-related transfer restrictions that would traditionally have been printed on a paper stock certificate onto “smart contracts” (computer programs written to the relevant blockchain), which allows the smart contract to impose the relevant conditions on the transfer of the Common Stock Tokens. One example of such coding is a restriction on to whom Common Stock Tokens may be transferred. Common Stock Tokens cannot be created or deleted by any entity other than the Transfer Agent.

Overview of Our Business

Our Industry

We operate in the financial technology subsector of the greater blockchain and crypto asset industry, and our customers are both experienced people and entities familiar with this technology and those new to financial solutions powered by blockchain technology and crypto assets. The following are descriptions of key technology used in our industry.

Blockchain Technology

Blockchain technology utilizes an open, distributed ledger managed by a peer-to-peer network to record transactions between parties linked to the blockchain. The Bitcoin blockchain, and other blockchains, such as those of Ethereum and Litecoin, can be thought of as public record books of crypto asset transactions. These record books are “decentralized” or stored on multiple computers around the world.

Crypto Assets

Crypto assets are digital assets that exist on a particular blockchain and can be moved from one party to another party on that blockchain. There are different types of crypto assets, as some crypto assets represent stakes in a particular project, some add functionality to blockchain-based platforms, and some are intended to function like currencies, such as Bitcoin, and do not represent a stake in a particular project or company. Crypto assets are directly held by their owners and are immediately transferable, subject to applicable law.

Private and Public Keys

In order to send crypto assets from a blockchain address, a private key is required to “unlock” those crypto assets. The private key will allow its holder to access and spend the crypto assets located at a particular blockchain address. Anyone who holds a private key can access the crypto assets located at that blockchain address. If the holder of the assets loses or gives someone their private key, their assets are at risk. Public keys identify a particular blockchain address, but do not enable that address to be unlocked. Instead, public keys act like a mailing address, so that a user can send a crypto asset to the “address” provided by the public key. Therefore, if one wants to receive crypto assets from someone else, one must give the other party their crypto address by giving the other party their public key.

Key Management Solutions: Custodial vs. Non-Custodial

The person or entity that holds the private key for a public wallet address controls the asset stored in that wallet. Private key management solutions generally fall into two broad categories, custodial and non-custodial key management.

- **Custodial key management:** In this structure, a company or platform generates the private keys for their customers and administers any and all funds sent to the addresses tied to those private keys. Custodial key management solutions become custodians of their customers funds and in that respect are extremely similar to centralized banks.

- Non-custodial key management: In this solution, a person or entity generates (using software or other means) and secures (often on their own computer or written down on a piece of paper) their own private keys and all funds are sent to the address tied to those private keys. Non-custodial key management solutions are not custodians of their users' funds, but are merely repositories for the funds, similar to the way a physical safety box or leather wallet provides a means for people to secure their own wealth.

While today the majority of people use custodial key management solutions, we believe that custodial key management solutions serve merely as a temporary bridge between traditional institutionalized financial systems and the financial freedom offered by complete non-custodial control over one's crypto assets.

Blockchain-based Financial Technology

Non-custodial holding of crypto assets offers consumers a payment option that does not rely on the traditional banking system. We believe that, as more people become interested in and begin to hold crypto assets, they will look for new ways to interact with their crypto assets. Crypto assets have significant advantages over traditional fiat currency, particularly when used on non-custodial platforms. Unlike fiat currency held in traditional banks, crypto assets on non-custodial platforms are designed to be available at all times. A non-custodial system is designed not to have limited operating hours, restrictions on when markets open and close, or bank holidays. Crypto assets can also be transferred in real time, as the underlying technology is designed to avoid lengthy settlement periods, and, if transactions complete successfully, crypto assets will always end up at the wallet address to which they are sent with a proof of receipt forever etched in the blockchain, which functions as a public ledger. Most importantly, holders of crypto assets control their funds. They do not need to rely on any bank or custodian entity to provide access to their own assets.

Wallets

Software-based technology allows users to manage their private keys that grant access to their crypto assets. This technology is known as a wallet. Wallets do not actually store crypto assets the way one might store a twenty-dollar bill in a physical leather wallet. Rather, the crypto assets remain stored at a particular blockchain address on the relevant blockchain, as described above in "*Private and Public Keys*," and wallets allow users to manage the private keys that grant access to the blockchain addresses where their crypto assets are stored.

Our Solution — The Exodus Platform

We built the Exodus Platform to give our customers the power to quickly secure, control, and manage their digital wealth. Our platform allows our customers to store and access their crypto assets in a non-custodial, secure environment that only they control on their desktop and mobile devices while delivering a simple, elegant and intuitive experience. Our platform is intended to provide the trustworthiness of your bank's online portal without service windows and clunky interfaces, and the speed of centralized crypto exchanges without the risk of third-party custody — we aim to provide our customers with the best of both worlds in Exodus.

The Exodus Platform allows our customers to leverage the power of crypto assets in an easy and straightforward way, without compromising privacy or the security of their crypto assets. We accomplish this by:

- helping to ensure that our customers retain full control over the crypto assets held in their Exodus wallet by encrypting the private keys locally on our customers' own devices;
- streamlining the process of creating wallets for transacting in over 100 crypto assets, as well as offering a range of wallet options to hold customers' private keys (including hot and cold wallets) so customers can quickly access the features they want without being distracted by unnecessary or confusing technical information;
- hosting and maintaining our own robust server infrastructure to ensure near 100% uptime, 24/7, for all crypto assets and services offered on our platform;
- integrating cutting-edge third-party apps seamlessly into our highly functional platform to provide our customers with a rich ecosystem of ways to use and manage their crypto assets, as well as providing us with potential additional avenues for monetizing our platform;
- producing reliable, straightforward information on our website and YouTube channel regarding blockchain cryptography, crypto assets and our platform that is relevant for both new and experienced crypto asset users;

- providing fast and smooth purchasing of crypto assets using fiat currency through Apple Pay on iOS devices (our customers can purchase up to USD \$500 of Bitcoin at the touch of a button, which is made available on their Exodus wallet immediately); and
- continually adapting and innovating the Exodus Platform to support our customers' ability to store other types of valuable assets, including personal information, traditional fiat currencies, and, potentially, traditional securities in tokenized form alongside other tokenized financial products in the future.

Our Growth Strategy

Key elements of our growth strategy include:

Continuing to Enhance Our Platform's Capabilities and Performance.

We continue to invest in product development to enhance the functionality and usability of the Exodus Platform. Our platform currently supports over 100 crypto assets, and we continue to explore enhancements that will allow users to leverage these assets to their benefit. We also continually seek out opportunities to improve our platform's user interface and user experience in order to promote customer engagement and increase the attractiveness of our platform. For example, we have implemented the use of payment "usernames" so that customers can send or receive crypto using an address as simple as a Twitter handle instead of a 58-character string of letters and numbers.

Integrating a robust onramp to bridge our customers' legacy financial systems with opportunities available through the Exodus Platform.

We believe that, over time, traditional financial assets, services, and experiences will migrate to using blockchain technology. We also believe that people and entities will want the flexibility to keep their wealth in crypto assets, particularly Bitcoin, Ethereum and stablecoins, instead of only keeping wealth in fiat currencies. Currently, products do exist to permit customers to migrate from fiat currency to crypto assets; however, they are often slow, contain software bugs, and require customers to fill out lengthy and repetitive know-your-customer and anti-money laundering questionnaires. In addition, these products are not cross-compatible, meaning that if a customer wants to use services on two separate platforms requiring similar identity documents, the customer will need to enter the same information twice. On the Exodus Platform, customers will have the option to encrypt and store their identity documents alongside their private keys. Through our auto-fill solution, once a customer enters identifying information into the know-your-customer and anti-money laundering forms for one of our API providers, the customer will have the ability to automatically upload and send the information to any other API provider who requests that information. This allows our customers to enjoy a seamless and easy experience in the Exodus Platform, and allows our API providers to obtain the information they need to provide our customers valuable services.

Continuing to Grow Our App Store.

We operate a proprietary "app store" that hosts applications, or apps, which are developed by our third-party API providers and accessible through our platform. These apps currently include the following:

- The Exchange Aggregator allows users to swap one crypto asset for another within the Exodus Platform without having to send assets to and from centralized exchanges or trade across multiple order books. For example, if a customer wants to swap Digibyte for DASH inside of Exodus, this trade can be easily executed, while on a centralized exchange, a customer would have to trade Digibyte for Bitcoin and then Bitcoin for DASH. Through the Exodus Platform, customers can access the ability to directly exchange over 10,000 pairs of crypto assets.
- The Compound Finance app permits Exodus Platform customers to use an algorithmic smart contract protocol to earn interest (in the form of additional crypto asset tokens) on certain supported crypto assets held in their Exodus wallets.
- SportX allows users in certain jurisdictions outside of the United States and its territories to place wagers on select sporting events using a third-party smart contract protocol on the Ethereum Blockchain. SportX is only available to our customers outside the United States and its territories, in

jurisdictions where online sports gambling is permitted by applicable law. All gambling activities conducted through SportX are operated by SportX's developer, NextGen, and we do not set odds, place or accept bets, pay out winnings or otherwise facilitate, operate or manage any gambling activities conducted on SportX.

- Rewards allows users to "stake" supported crypto assets held in their Exodus wallets by participating in blockchain validation through a third-party entity that monitors or creates staking pools.

To encourage additional third parties to build apps for the Exodus Platform, we are developing what we believe will be a groundbreaking, secure method by which third-party API providers will be able to integrate their proprietary apps onto the Exodus Platform. Our goal is to allow new apps to seamlessly connect with our millions of customers in a visually beautiful and easy-to-use interface that risks no customer funds.

Offering Our Digital Format Common Stock.

- We have developed the Exodus Platform to facilitate customers independently holding their crypto assets as an alternative to traditional centralized financial institutions. Once customers are able to easily hold their crypto assets, we seek to expand the opportunities for customers to manage and interact with those assets. As part of that goal, when we decided to sell shares of our Class A common stock in this offering, we believed it would go against the fundamental principles of our business if we were to use traditional stock certificates. Instead, shares of our Class A common stock will be represented in digital format by our Common Stock Tokens. The Common Stock Tokens are a representation of how many shares of Class A common stock are owned by an individual, and a holder can reasonably expect that the digital stock record created by the Common Stock Tokens is correct, but the Common Stock Tokens are not actual shares. We are creating several apps in our app store to facilitate these Common Stock Tokens, and are exploring the possibility of offering versions of these apps for other companies who might also be interested in issuing their securities with a digital representation instead of a traditional stock certificate. For further information on our Common Stock Tokens and the new apps which we will add to our app store, please see "*Plan of Distribution*."

The Exodus Platform

The Exodus Platform provides an easy-to-use interface that enables our customers to manage their crypto assets on their desktop computers and mobile phones or transfer their assets to physical storage devices such as Trezor for added security. The Exodus Platform is non-custodial, meaning that our users' private keys are encrypted locally on their own devices and Exodus can never access or take control of our users' funds. Since the creation of the Exodus Platform, we estimate that we have had approximately 1.25 million users with funded wallets across our desktop and mobile platforms. At the end of 2020, our average daily active users more than doubled from 25,440 to 116,865. Our monthly active users increased from 129,812 at the beginning of 2020 to 591,584 in January 2021.

Our desktop platform

Our desktop platform was first released in December 2015 to address an underserved market opportunity by allowing customers to access advanced wallet technology on the desktop. From February 2020 through January 2021, our website averaged approximately 281,000 visitors per month, with a ratio of visits to unique clicks to download the desktop platform of 20%. As of January 31, 2021, we had a cumulative total of over 1.2 million unique clicks on our website to download our desktop platform. In 2020, approximately 45% of people who downloaded our desktop platform have activated it, resulting in 354,000 new users. We have achieved this ratio with extremely limited marketing spend. A customer can easily download the desktop version of the Exodus Platform from our website, open the desktop wallet once downloaded and immediately begin managing crypto assets, with no registration or log-in information required. We offer the desktop version of the Exodus Platform to customers as a free download. We derive our revenues from API integration fees (both transaction- and non-transaction-based) that we charge to third parties who develop applications that our customers can access from the Exodus Platform through an API.

Our mobile platform

The mobile version of our Exodus Platform is available on both iOS and Android platforms, and seamlessly syncs with the Exodus Platform desktop software so that transactions are completed in seconds and mirrored on the desktop platform. The mobile Exodus Platform has been downloaded approximately 1,600,000 times since its

release in 2019. Since January 2020, approximately 373,000 customers activated the platform after downloading the mobile app, an activation rate of 30%. We offer the mobile version of the Exodus Platform to customers as a free download. As with the desktop version of the Exodus Platform, we derive our revenues from API integration fees (both transaction- and non-transaction-based) that we charge to independent third parties who develop applications that our customers can access from the Exodus Platform through an API.

The mobile app allows customers to manage their crypto assets with built-in security, including the mobile security of face or fingerprint scanning. As on our desktop platform, we encrypt private keys and transaction data to support customers' data privacy. Customers rarely have to manage or deal with the complex technicalities of blockchain-based crypto assets. Instead, our customers quickly and seamlessly deploy and interact with their crypto assets, while we and our API providers manage the complicated technology behind the scenes. Unique to our mobile platform, in many jurisdictions iOS users can buy Bitcoin with fiat currency using Apple Pay.

Our App Offerings

Exodus began as a crypto wallet, with the main purpose of allowing customers to store crypto assets. Going forward, we believe that as crypto assets become more widely used, consumers will desire to have more functionality with their crypto assets. In 2020, we began to work with third parties to develop applications (“apps”) that will provide additional functionality for our customers. These apps allow our customers to interact with and use their crypto assets in new ways. Our first integrated application was the exchange aggregation feature (the “**Exchange Aggregator**”), allowing customers to exchange one crypto asset for another crypto asset without leaving the Exodus Platform. As of December 31, 2020, our customers have exchanged approximately \$3.5 billion of crypto assets. Building on the success of the Exchange, we are now creating what we intend to be one of the most dynamic fintech-focused blockchain-based app stores.

Developing the crypto asset app store has allowed us to diversify our revenue streams, as each app provides a potential opportunity to monetize user transactions involving crypto assets held in the Exodus Platform through commissions, subscription fees or other means. This decreases our reliance on market volatility and movement of crypto asset prices. In addition, these apps allow us to expand our product offerings. We believe that apps will be essential in bringing crypto assets into mainstream use, and exposing our customer base to crypto apps directly within the wallet will increase engagement and encourage them to continue using our products.

During 2020, three API providers individually generated \$8.1 million, \$4.5 million and \$5.8 million in revenues, representing in the aggregate approximately 86% of our total revenues during 2020. Our revenue in 2020 was derived primarily from non-U.S. jurisdictions, with 91% attributable to the Asia-Pacific (“**APAC**”) region, 5% attributable to Europe, the Middle East, and Africa (“**EMEA**”), 3% attributable to United States, and 1% attributable to Canada and Latin America (“**Other Americas**”).

The following apps are currently available through our crypto app store:

Exchange Aggregator

Customers of the Exodus Platform on our desktop and mobile platforms can send, receive and exchange crypto assets. We were the second platform to provide an API service between a non-custodial wallet and a third-party crypto-to-crypto exchange, and the first platform to offer exchange aggregation as a seamless experience for customers. Customers using the Exchange Aggregator simply choose the crypto asset they would like to own, the crypto asset that they currently own that they want to swap, confirm that the amount of the new crypto asset they will receive is correct, and click a button. Their order is automatically routed to the API provider that will provide the best price to the customer for that particular pair of assets being swapped. The provider will process the order in under an hour and deliver the exact amount of the new crypto asset to the customer. As a result, our customer experience is significantly simpler than that found on other wallets and saves the customer time spent searching through centralized exchanges and orderbooks. Additionally, we have developed proprietary software that allows us to work with multiple exchange providers, allowing wallet customers to maximize liquidity, pricing, order fulfillment time, and operating time in a way that we believe our competitors cannot match.

Compound Finance

The Compound Finance app permits Exodus Platform customers to use an algorithmic smart contract protocol to earn interest (in the form of additional crypto asset tokens) on certain supported crypto assets held in their Exodus wallets. As of the date of this offering circular, DAI is the only crypto asset that is supported in the Compound Finance app.

Using the Compound Finance app, users can transfer DAI tokens into a token lending pool maintained by the Compound Finance smart contract protocol and, in exchange, receive cDAI smart contract tokens (“cDAI”). The Compound Finance smart contract protocol allows holders of cDAI to periodically receive additional cDAI, based upon a variable interest rate formula that is set forth in the smart contract protocol. Compound Finance permits users of the Compound Finance app to exchange their cDAI tokens back to DAI, thereby withdrawing their tokens from the Compound Finance token lending pool. No accounts are currently required for Exodus Platform users to use the Compound Finance smart contract protocol.

At this time, no revenue is earned by Exodus from the Compound Finance app.

SportX

SportX allows users outside the United States and its territories, in jurisdictions where sports gambling is permitted by applicable law, to place wagers on select sporting events around the globe (including e-sports) using a third-party smart contract protocol, which helps ensure that users’ funds are protected and payouts are made on time. We believe users of SportX may adopt our future products at a higher rate than other users.

Rewards

Certain crypto assets allow holders to interact with the crypto asset through “staking,” by which users earn rewards. Blockchain technology relies on user participation and interaction with the blockchain in order to form the “blocks” that create the chain. This user participation results in a mechanism that allows blockchains to validate and approve or disapprove data and transactions before storing them to make blockchain faultless. Users participating in this mechanism are known as “validators.” This mechanism for networks to come to an agreement on transactions is called the consensus protocol, and participating in the consensus protocol results in a reward to the participants. To take part in the staking process, users save up enough crypto assets to create a stake, and then lock up or “stake” their assets by delegating them to a wallet that participates in a staking pool. In doing so, the user receives a reward for its participation. Additionally, some blockchains are designed to automatically generate additional, secondary tokens for distribution to holders, without the involvement of a third party.

Summary Risk Factors

Our business is subject to numerous risks and uncertainties, including those highlighted in the section of this offering circular titled “*Risk Factors*.” These risks include the following:

- our business depends on attracting and retaining new wallet customers, and any failure of our platform to satisfy customer demands, achieve increased market acceptance or adapt to changing market dynamics would adversely affect our business, results of operations, financial condition and growth prospects;
- our business depends in part on third-party services integrated with the Exodus Platform, and, if these third-party services fail to provide adequate functionality for our customers, our business, results of operations and financial condition could be adversely affected;
- our business depends, in part, on our ability to make Common Stock Tokens available to the holders of our Class A common stock and we may incur significant damage to our reputation and financial condition if we are not successful;
- because our business is dependent, in part, on the continued market acceptance and development of crypto assets and blockchain technology by consumers, any declines or negative trends affecting crypto assets or blockchain technology will adversely affect our business operations;
- our ability to maintain customer satisfaction depends in part on the quality of our customer support, and any failure to maintain high-quality customer support could have an adverse effect on our business, results of operation, and financial condition;

- our relatively limited operating history makes it difficult to evaluate our current business and prospects and may increase the risk that we will not be successful;
- any actual or perceived failure of the Exodus Platform to block malware or prevent failures or security breaches or incidents could harm our reputation, cause the Exodus Platform to be perceived as insecure, underperforming, or unreliable, impede our efforts to attract and retain customers, and otherwise negatively impact our business, results of operations and financial condition;
- our holdings of crypto assets expose us to potential risks, including exchange, security and liquidity risks, which could negatively affect our business, financial condition, and results of operations;
- our risk management efforts may not be effective to prevent fraudulent activities by third-party providers or other parties, which could expose us to material financial losses and liability and otherwise harm our business;
- customer or third-party activities may subject us to liability or cause us to experience adverse political, business, and reputational consequences with customers, employees, third parties, government entities, and others;
- the offering price of our Class A common stock has been determined independently by us and should not be considered as an indication of our present or future value;
- we believe our long-term value as a company will be greater if we focus on improving our customers' experience with our platform, rather than growth or profitability, which may negatively impact our profitability;
- if our customers' or contractual providers' access to our platform is interrupted or delayed for any reason, our business could suffer;
- our Class A common stock initially will not be listed on any securities exchange or available to trade on any ATS, we do not intend to apply for the listing of our Class A common stock on any securities exchange, and we cannot provide any assurance that we will be successful in enabling our Class A common stock to be available to trade on any ATS;
- even if we are successful in making our Class A common stock available to trade on an ATS, this ATS may experience limited volume and liquidity;
- the trading ledger showing trades in our Common Stock Tokens is publicly available, which may give rise to privacy concerns;
- there is no guarantee that our Class A common stock will hold its value or increase in value, and you may lose the amount of your investment in our Class A common stock in whole or in part;
- an active trading market for our Class A common stock may not develop or be sustained following this offering;
- the dual class structure of our common stock will have the effect of concentrating voting capital with our executive officers and directors and it may depress the trading price of our Class A common stock;
- the regulatory regime governing blockchain technologies, cryptocurrencies, tokens and token offerings such as the Exodus Platform and the Common Stock Tokens is uncertain, and new regulations or policies may materially adversely affect the development and utilization of the Exodus Platform;
- we operate an interface that allows our customers to connect to exchanges on which the customers can trade crypto assets, and we receive compensation from these exchanges. Certain crypto assets traded using our platform could be viewed as "securities" for purposes of state or federal regulations, and regulators might determine that the payments we receive from the exchanges would cause us or the third-party app providers that offer apps through our platform to be in violation of federal and state securities laws, which would negatively affect our business, financial condition and results of operation; and
- we are subject to export control, import, and sanctions laws and regulations that could impair our ability to compete in international markets or subject us to liability if we violate such laws and regulations.

Corporate Information

Exodus Movement, Inc. was founded by Jon Paul Richardson and Daniel Castagnoli in 2015, and was incorporated as a Delaware corporation on July 25, 2016. Our company operates completely virtually and we do

not maintain a physical corporate headquarters. Our primary telephone number is +1 (833) 992-2566. Our principal internet website address is www.exodus.com. The information on our website is not incorporated by reference into, or a part of, this offering circular.

GLOSSARY

An “**API**” is an application programming interface that allows two different Internet services to communicate with one another and exchange data.

“**AML/KYC**” refers to anti-money laundering and know-your-customer requirements and procedures.

“**ATS**” refers to an alternative trading system.

A “**block**” is a discrete group of records written to a blockchain that can effectively be identified and referenced by the use of “headers” that contain a digital fingerprint of the records each block contains.

A “**blockchain**” is a database created and shared by the members of a peer-to-peer computer network which each member of that network can independently trust due to the rules governing the database’s creation. A blockchain can therefore be used to replace centralized databases.

“**Blockchain cryptography**” involves computers using algorithms to solve complex mathematical equations to authenticate transactions.

A “**digital asset**” (also referred to as a “**crypto asset**”) is any set of unique digital information—including, for example, programs, decentralized programs, isolated chunks of programming code, collections of data, e-mail or web addresses or cryptocurrency tokens—that is capable of being stored and uniquely tracked on a computer network and over which a user can maintain control through that network.

A “**gas fee**” or “**network fee**” refer to payments made by users of the Ethereum Blockchain to the Ethereum Blockchain miners to compensate the miners for the computing energy required to process and validate transactions on the Ethereum Blockchain. The gas fee is determined by the Ethereum miners, and the miners can choose to decline to process a transaction if the gas fee does not meet their specified threshold. As a result, the amount of the gas fee can vary, and can increase due to increased demand for the miners’ services in processing Ethereum transactions. If the Common Stock Tokens are made available on the Ethereum Blockchain, any such gas fees will be paid by the person or entity that holds and is choosing to transfer Common Stock Tokens.

A “**private key**” is a very large random sequence of digital information (effectively a very long number that can be used as a password) that should be known only by a single user of the network and cannot be plausibly guessed by a third party in a reasonable amount of time. A user generates this large random sequence locally on a computer and should never share it with anyone. Each private key has a paired sequence of digital information, called a “**public key**,” to which it is uniquely linked and which a user can share publicly. The public key is generated from the private key using a one-way function, meaning that while the public key can be easily derived, reversing the process to determine what private key was used to produce a given public key is not possible in a reasonable amount of time using current computers.

“**Staking**” refers to the act, by blockchain miners, of “locking” some portion of crypto assets into a “stake” on a blockchain as part of the miner’s bid to become the validator for the next block on that blockchain. The concept of “staking” comes from the consensus mechanism called “proof of stake.” All blockchains function by relying on miners who must validate the transactions written to the blockchain. In order to validate these transactions, miners use a consensus mechanism. There are different forms of consensus mechanisms, but they all require miners to engage in some form of activity to validate, or approve or disapprove, data and transactions before storing them. It is this action of validating transactions that makes a blockchain faultless. Blockchains that use the “proof of stake” consensus mechanism require their miners to create a “stake” of some amount of the crypto asset that is native to that blockchain, and then “lock” that stake by delegating the crypto asset to a wallet that participates in a staking pool. In general, the miner with the highest amount of staked crypto assets will serve as the validator for the next block on the blockchain, and receives a reward of some amount of that blockchain’s native crypto asset. Certain blockchains that use “proof of stake” permit other holders of the blockchain’s native crypto asset to permit miners to use some amount of the holder’s crypto asset for staking. If a miner uses the crypto assets of another holder and is chosen as the validator and receives a reward, the miner will give some of its reward to the holder whose crypto assets the miner used.

“**QR Code**” refers to a quick response code, which is a machine-readable optical label.

THE OFFERING	
Class A common stock offered by us	1,914,661 shares
Class A common stock offered by the selling stockholders	818,568 shares
Class A common stock to be outstanding immediately after this offering	2,733,229 shares
Class B common stock to be outstanding immediately after this offering	22,399,557 shares
Total Class A and Class B common stock to be outstanding after this offering	25,132,786 shares
Use of proceeds	<p>We estimate that the net proceeds to us from the sale of shares of our Class A common stock in this offering will be approximately \$51 million, based upon the offering price of \$27.42 per share, and after deducting estimated offering expenses. We intend to use the net proceeds we receive from this offering for the continued expansion of our platform, with a focus on increasing our marketing efforts to attract additional users to our platform, and after deducting estimated offering expenses payable by us.</p> <p>We will not receive any proceeds from the sale of shares of Class A common stock by the selling stockholders. See the section of this offering circular captioned “<i>Use of Proceeds</i>” for a more complete description of the intended use of proceeds from this offering.</p>
Voting rights	<p>Holders of Class A common stock and Class B common stock will generally vote together as a single class, unless otherwise required by law or our amended and restated certificate of incorporation. The holders of our outstanding Class B common stock will hold approximately 99% of the voting power of our outstanding capital stock following this offering. Certain of our executive officers and directors will collectively beneficially own shares representing 82.7% of the voting power of our outstanding capital stock following this offering. Consequently, the holders of Class B common stock will have the ability to control the outcome of matters submitted to our stockholders for approval, including the election of our directors and the approval of any change in control transaction. See the sections of this offering circular captioned “<i>Principal and Selling Stockholders</i>” and “<i>Description of Capital Stock</i>” for additional information.</p>
Risk Factors	<p>See the section titled “<i>Risk Factors</i>” and other information included in this offering circular for a discussion of some of the factors you should consider before deciding to purchase shares of our Class A common stock.</p>

Common Stock Tokens	<p>We intend that each share of our Class A common stock will be represented by a digital Common Stock Token that will be viewed through the Exodus Platform. Common Stock Tokens are not shares of Class A common stock; rather, they are digital representations of the number of shares purchased and held by a given stockholder. Both our transfer agent, Securitize, and any ATS we may use have the ability to support both trades in our Class A common stock and transfers of our Common Stock Tokens; however, it is not a condition to the closing of the Offering that the Common Stock Tokens be made available to holders of our Class A common stock or be able to be transferred on any ATS. The Common Stock Tokens may not be supported by all ATSs that may trade our Class A common stock. Holders of shares of our Class A common stock will always have the ability to transfer such shares through the book-entry transfer facilities of the Transfer Agent. We recognize that the use of Common Stock Tokens as representations of the number of shares purchased and held by a given stockholder is novel, and therefore should we make Common Stock Tokens available, we reserve the right to discontinue the usage of Common Stock Tokens and revert to traditional or other methods of share certification.</p>
Purchasing our Class A common stock	<p>We are selling our Class A common stock priced in U.S. dollars. In order to purchase shares of our Class A common stock, a new potential purchaser must first create an account on the website of our Transfer Agent. This can be done directly on the website of the Transfer Agent, or it can be done through a link to the Transfer Agent's website from within the Exodus Platform. Potential purchasers must pay the purchase price for our Class A common stock in either Bitcoin, Ether, or USDC. All proceeds for the sale of our Class A common stock will be held in escrow until the closing of the Offering. All of the Bitcoin, Ether and USDC proceeds for the sale of our Class A common stock will be held by Exodus in a separate wallet designated as the "crypto escrow wallet." We will not use a third-party escrow agent in connection with this Offering. Upon the closing of the Offering, our Transfer Agent will record the issuance of each share of Class A common stock to the relevant purchasers and we will release the escrowed proceeds to us and the selling stockholders. If the Offering is terminated or expires prior to the closing of the Offering and no shares of our Class A common stock have been issued, we will release the escrowed proceeds back to the relevant purchasers. There is no minimum amount of securities that must be sold in this Offering. We will not offer or sell our Class A common stock within Arizona, Florida or Texas, or to any resident of those states.</p>

Liquidity

Our Class A common stock will not be listed for trading on, and we have no intention to apply for listing on, any securities exchange or through any other national market system trading platform. Further, our Class A common stock, at the time this offering commences, will not be available for trading on a specific trading system that is registered with the SEC as an ATS. Although we are in discussions with several ATSs regarding the availability of our Class A common stock for trading following the commencement of this offering, these discussions may not be successful, and there can be no assurance that our Class A common stock will become available for trading on an ATS in the near term or at all. It is not a condition to the closing of the Offering that the Common Stock Tokens be able to be transferred on any ATS. The Common Stock Tokens may not be supported by all ATSs that may trade our Class A common stock. Holders of shares of our Class A common stock may transfer such shares through the book-entry transfer facilities of the Transfer Agent even if there is no means by which to separately transfer the Common Stock Tokens. If our Class A common stock is not made available for purchase on, or for trading through, an ATS, that would likely result in limited liquidity for our Class A common stock. Such limited liquidity may result in you not being able to resell your Class A common stock on a timely basis or at all.

The number of shares of our Class A common stock and our Class B common stock to be outstanding after this offering is set forth in the table below, which sets out our actual, pro forma and pro forma as adjusted number of shares outstanding as of December 31, 2020:

	Actual ⁽¹⁾⁽²⁾	Pro Forma ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾	Pro Forma As Adjusted ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾
Class A Common Stock	—	818,568	2,733,229
Class B Common Stock	20,011,830	22,399,557	22,399,557

- (1) Reflects the filing of a certificate of amendment to our amended and restated certificate of incorporation in February 2021, which increased the number of authorized shares of our capital stock and effected a two-for-one forward stock split of our outstanding common stock (the “**Forward Stock Split**”).
- (2) Excludes (a) 2,737,008 shares of our Class B common stock issuable upon exercise of options outstanding, at a weighted average exercise price of \$2.39 per share, as of December 31, 2020 and (b) 262,992 shares of our Class B common stock reserved for future issuance under our 2019 Equity Incentive Plan as of December 31, 2020.
- (3) Reflects the exercise of options to purchase 296,997 shares of Class B common stock in connection with, and contingent upon, the consummation of this offering and the automatic conversion of 818,568 shares of Class B common stock (including 296,997 shares of Class B common stock issued upon exercise of outstanding options) upon their sale by the selling stockholders in this offering.
- (4) Reflects the conversion of \$0.5 million aggregate principal amount of simple agreements for future equity (“**SAFEs**”) into 2,904,498 shares of Class B common stock in February 2021.
- (5) Reflects the issuance of 4,800 shares of Class B common stock to COHAGEN WILKINSON, INC., a selling stockholder in this offering, in January 2021.

Unless we specifically state otherwise or the context otherwise requires, all information in this offering circular assumes and gives effect to the pro forma adjustments described above.

In conjunction with this Offering, we intend to directly list our Class A common stock on the MERJ Exchange in the Republic of Seychelles. Trading in our Class A common stock on the MERJ Exchange will be limited to non-U.S. persons located outside of the U.S.

SUMMARY CONSOLIDATED FINANCIAL DATA

The following tables summarize our consolidated financial data. We derived our summary statements of operations for fiscal year 2020 and 2019 and our summary balance sheet data as of December 31, 2020 from our audited consolidated financial statements included elsewhere in this offering circular. We have prepared the audited consolidated financial statements including all adjustments, consisting only of normal recurring adjustments that, in our opinion, are necessary to state fairly the information set forth in those consolidated financial statements. Our historical results are not necessarily indicative of the results to be expected in any future period. You should read the following summary consolidated financial data in conjunction with the section titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and our consolidated financial statements, the accompanying notes, and other consolidated financial information included elsewhere in this offering circular.

Statements of Operations Data:

	Year ended December 31,	
	2020	2019
	(amounts in thousands, except per share data)	
Revenues	<u>\$21,251</u>	<u>\$ 7,922</u>
Cost of revenues		
Software development	3,465	3,000
Customer support	1,824	1,044
Security and wallet operations	<u>3,517</u>	<u>2,578</u>
Total cost of revenues	<u>8,806</u>	<u>6,622</u>
Gross profit	<u>12,445</u>	<u>1,300</u>
Operating expenses		
General and administrative	3,802	2,235
Advertising and marketing	1,081	569
Depreciation and amortization	736	103
Impairment of digital assets	<u>2,430</u>	<u>1,738</u>
Total operating expenses	<u>8,049</u>	<u>4,645</u>
Operating income (loss)	<u>4,396</u>	<u>(3,345)</u>
Other income		
Gain on sale or transfer of digital assets	5,017	3,118
Interest expense	(6)	(3)
Interest income	<u>80</u>	<u>55</u>
Total other income	<u>5,091</u>	<u>3,170</u>
Income (loss) before income taxes	<u>9,487</u>	<u>(175)</u>
Income tax (expense) benefit	<u>(1,310)</u>	<u>(55)</u>
Net income (loss)	<u>\$ 8,177</u>	<u>\$ (230)</u>
Foreign currency translation adjustment	248	—
Comprehensive income (loss)	<u>\$ 8,425</u>	<u>\$ (230)</u>
Basic net income (loss) per share of common stock	\$ 0.41	\$ (0.01)
Diluted net income (loss) per share of common stock	\$ 0.36	\$ (0.01)
Weighted average shares and share equivalents outstanding		
Basic	20,012	20,000
Diluted	22,749	20,000

Consolidated Balance Sheet Data:

	As of December 31, 2020		
	Actual	Pro Forma ⁽¹⁾	Pro Form As Adjusted ⁽²⁾
	(in thousands)		
Cash and cash equivalents	\$ 2,612	\$ 3,322	\$ 3,322
Working capital ⁽³⁾	7,725	8,435	8,435
Digital assets	7,668	7,668	58,968
Total assets	20,751	21,461	72,761
Other liabilities, non-current	1,391	853	853
Stockholders' equity	17,823	19,071	71,571

(1) The pro forma consolidated balance sheet data gives effect to (a) the exercise of options to purchase 296,997 shares of Class B common stock in connection with, and contingent upon, the consummation of this offering and the automatic conversion of 818,568 shares of Class B common stock (including 296,997 shares of Class B common stock issued upon exercise of outstanding options) upon their sale by the selling stockholders in this offering and (b) the conversion of \$0.5 million aggregate principal amount of SAFEs into 2,904,498 shares of Class B common stock in February 2021.

(2) The pro forma as adjusted consolidated balance sheet data reflects (a) the items described in footnote (1) above and (b) our receipt of estimated net proceeds from the sale of shares of Class A common stock that we are offering at the initial public offering price of \$27.42 per share, after deducting estimated offering expenses.

(3) We define working capital as current assets less current liabilities. See our consolidated financial statements and related notes included elsewhere in this offering circular for further details regarding our current assets and current liabilities.

RISK FACTORS

An investment in our Class A common stock involves a high degree of risk. You should consider carefully the risks described below, together with all of the other information contained in this offering circular, including “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and the accompanying notes included elsewhere in this offering circular before deciding whether to invest in shares of our Class A common stock. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of, or that we deem immaterial, may also become important factors that adversely affect our business. If any of the following risks actually occur, our business, financial condition, operating results and future prospects could be materially and adversely affected. In that event, the market price of our Class A common stock could decline, and you could lose part or all of your investment.

Risks Related to Our Business and Our Industry

Our business depends on attracting and retaining new wallet customers. Any failure of our platform to satisfy customer demands, achieve increased market acceptance or adapt to changing market dynamics would adversely affect our business, results of operations, financial condition and growth prospects.

The success of our business depends on our ability to attract and retain Exodus Platform customers. To do so, we must persuade potential customers that our platform offers significant advantages over those of our competitors. Market acceptance of the Exodus Platform is affected by a number of factors, many of which are beyond our control, including the timing of development and release of new products, features and functionality introduced by us or our competitors, the performance of third-party services offered through the Exodus Platform, customer perceptions of the Exodus Platform’s security and reliability, acceptance and interest in crypto assets generally, and the growth or contraction of the market in which we compete.

In addition, as the market for crypto assets and related services continues to mature, we expect that an increasing focus on customer satisfaction will profoundly impact demand for the Exodus Platform. We believe that our customers are increasingly looking for flexible and secure crypto asset wallets that seamlessly integrate a range of applications and support a wide variety of crypto assets, while streamlining the customer experience and minimizing complexity. If we are unable to meet this demand, or if the Exodus Platform otherwise fails to achieve widespread market acceptance, our business, results of operations, financial condition and growth prospects may be adversely affected.

Our business depends in part on third-party services integrated with the Exodus Platform. If these third-party services fail to provide adequate functionality for our customers, our business, results of operations and financial condition could be adversely affected.

We rely on the integration of third-party services, including cryptocurrency exchanges and apps made available through our desktop app store, for several key aspects of the Exodus Platform’s functionality and features. As such the performance and reliability of these third-party services is critical to the continued growth in market demand for, and market acceptance of, the Exodus Platform. The success of third-party services on the Exodus Platform is affected by a number of factors, many of which are beyond our control, such as the technical support provided by such third-parties, our ability to successfully integrate such services into the Exodus Platform using third-party application programming interfaces (“APIs”), technological changes and developments, and customer preferences. There can be no assurance that these third-party services will continue to perform in a manner our customers find adequate. If our customers have negative experiences with these third-party services through the Exodus Platform, the attractiveness of our platform may be diminished and we may experience difficulties attracting and retaining customers.

In addition, we generate, and expect to continue to generate, substantially all of our revenue from fees associated with the integration of third-party services with the Exodus Platform. Our API agreements with cryptocurrency exchanges and app developers generally provide for the payment of integration fees to us based on agreed-upon metrics, including, in some instances, usage metrics among our customer base. If a third-party service made available through the Exodus Platform performs inadequately, or is perceived by customers to perform inadequately, our customers may be less likely to use that third-party service, which could affect our ability to successfully monetize and generate revenue from the service.

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Because our business is dependent, in part, on the continued market acceptance and development of crypto assets and blockchain technology by consumers, any declines or negative trends affecting crypto assets or blockchain technology will adversely affect our business operations.

The Exodus Platform is built around holding, transferring, exchanging and using crypto assets, which means our business depends on growth in the adoption and acceptance of crypto assets and the underlying blockchain technology to maintain and increase demand for the Exodus Platform. Blockchain technology is relatively new, untested and evolving. It represents a novel combination of several concepts, including a publicly available database or ledger that represents the total ownership of the currency at any one time, novel methods of authenticating transactions using cryptography across distributed network nodes that permit decentralization by eliminating the need for a central clearing-house while guaranteeing that transactions are irreversible and consistent, differing methods of incentivizing this authentication by the use of new tokens issued as rewards for the validator of each new block or transaction fees paid by participants in a transaction to validators, and hard limits on the aggregate amount of currency that may be issued. As a result of the new and untested nature of cryptocurrency and blockchain technology, the market for crypto assets and related services is relatively new and rapidly evolving, and its growth is subject to a high degree of uncertainty. As such, the crypto asset industry is vulnerable to risks and challenges, both foreseen and unforeseen. Examples of these risks and challenges include:

- Scalability is a challenge for platforms working with large blockchains, because addition of records to a blockchain requires the network to achieve consensus through a transaction validation mechanism, which often involves redundant and extensive computation; processing of transactions is slower than that achieved by a central clearing-house; and delays and bottlenecks in the clearance of transactions may result as the crypto assets expand to a greater number of users.
- Because some crypto assets may be considered securities, the fees we receive from exchanges could potentially raise regulatory issues related to whether the recipient of the fees is required to register as a broker-dealer under the Securities Exchange Act of 1934, as amended (“**Exchange Act**”). We believe that our fee structure does not require us to register as a broker-dealer, as discussed in the section of this offering circular captioned “*Business*”; however, there is no guarantee that regulatory agencies will agree with our position.
- Blockchain technology can have complex validation processes, and confirmation of a transaction may not always be instantaneous. Users of any crypto asset wallet who do not wait a sufficient period before treating blockchain as permanently written may lose assets and funds in exchange for blockchain payments that are never completed. While this risk is not unique to the Exodus Platform, and is not due to any feature of the Exodus Platform, customers may blame us for such transaction errors, which could harm our reputation and make it difficult to retain customers or persuade new customers to use our platform.
- Although blockchains are generally considered reliable, they are subject to certain attacks as described below under “*Risk Factors—Risks Related to the Digital Token Representing Shares of Our Common Stock—The distributed ledger technology used by the ATS is novel with respect to digital securities and has been subject to limited testing and usage.*”
- Because many blockchains are public, malicious users may freely view, access and interact with key components of the networks on these blockchains. For example, some of the applications on our platform rely on “smart contracts” written to the Ethereum Blockchain, an open-source, public, distributed ledger that is secured using cryptography (the “**Ethereum Blockchain**”), and malicious users will be able to freely access this code in ways that could allow them to steal or otherwise affect crypto asset transactions.

Although there may be solutions that have been proposed and implemented to these and other challenges facing various crypto assets and the blockchains on which they rely, the effectiveness of these solutions has not been proven. Further, other challenges may arise in the future that we cannot predict. For example, advances in cryptography and/or technical advances, such as the development of quantum computing, could present risks to the crypto assets and the Exodus Platform by undermining or vitiating the cryptographic consensus mechanism that underpins some blockchain protocols. Similarly, legislatures and regulatory agencies could prohibit the use of current and/or future cryptographic protocols, which could limit the utility of certain blockchains, resulting in

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a significant loss of value or the termination of crypto assets or applications on the platform. Accordingly, the further development and future viability of crypto assets in general or for specific cryptocurrencies, is uncertain, and unknown challenges may prevent their wider adoption.

The growth of the blockchain industry in general, as well as the blockchain networks on which crypto assets rely, is subject to a high degree of uncertainty regarding consumer adoption and long-term development. The factors affecting the further development of the crypto asset industry, as well as blockchain networks, include, without limitation:

- worldwide growth in the adoption and use of digital assets and other blockchain technologies;
- government and quasi-government regulation of digital assets and their use, or restrictions on or regulation of access to and operation of blockchain networks or similar systems;
- the maintenance and development of the open source software protocol of blockchain networks;
- changes in consumer demographics and public tastes and preferences;
- the availability and popularity of other forms or methods of buying and selling goods and services, or trading assets including new means of using government-backed currencies or existing networks;
- the extent to which current interest in crypto assets represents a speculative “bubble”;
- general economic conditions in the United States and the world;
- the regulatory environment relating to crypto assets and blockchains; and
- a decline in the popularity or acceptance of crypto assets or other blockchain-based tokens.

The crypto assets industry as a whole has been characterized by rapid changes and innovations and is constantly evolving. Although it has experienced significant growth in recent years, the slowing or stopping of the development, general acceptance and adoption and usage of blockchain networks and crypto assets may deter or delay the acceptance and adoption of the Exodus Platform or the applications on the Exodus Platform.

Our ability to maintain customer satisfaction depends in part on the quality of our customer support. Failure to maintain high-quality customer support could have an adverse effect on our business, results of operation, and financial condition.

Our ability to attract new customers and retain existing customers depends in part on our ability to maintain a consistently high level of customer support. We believe that the quality of our customer support is, and will continue to be, an integral part of the user experience and a key differentiator of the Exodus Platform from competing platforms. We primarily provide customer support through email and, in some circumstances, audio- or video-calls. These means of providing customer support may not be sufficient to meet our customers’ support needs, and while we plan to develop a customer support capability directly within the Exodus Platform, there can be no assurance that we will be successful in developing such capabilities or that such capabilities, even if developed, will be sufficient to meet our customers’ support needs. If we do not help our customers quickly resolve issues and provide effective ongoing support, or if our support personnel or methods of providing support are insufficient to meet the needs of our customers, it could adversely affect our customers’ experience and negatively impact our reputation and brand, our ability to attract and retain customers, and the usage of the Exodus Platform’s revenue-generating features. The growth of our business will continue to place significant demands on our customer support resources. If we are not able to meet the customer support needs of our customers, we may need to increase our support coverage, which may reduce our profitability.

Our relatively limited operating history makes it difficult to evaluate our current business and prospects and may increase the risk that we will not be successful.

Our relatively limited operating history makes it difficult to evaluate our current business and prospects, and to plan for our anticipated future growth. We were incorporated in 2016, and therefore all of our growth has occurred in recent years. As a result, our business model has not been fully proven, which subjects us to a number of uncertainties, including our ability to plan for and model future growth. While we have continued to expand our platform and develop additional functionality within the Exodus Platform, we have encountered, and will continue to encounter, risks and uncertainties frequently experienced by rapidly growing companies in

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developing industries, including our ability to achieve broad market acceptance of our platform, attract additional customers, identify and grow relationships with providers, withstand increasing competition in our existing and future markets, and manage increasing expenses as we continue to grow our business. Our current operating model may require changes in order for us to scale our operations efficiently. Investors should consider our business and prospects in light of the risks and difficulties we face as an early-stage company focused on developing our platform, both organically and through strategic relationships, in the field of blockchain, crypto assets and financial technology. If our assumptions regarding these risks and uncertainties are incorrect or change in response to changes in the markets for our platform, our business could suffer and our results of operations and financial condition could differ materially from our expectations.

Any actual or perceived failure of the Exodus Platform to block malware or prevent failures or security breaches or incidents could harm our reputation, cause the Exodus Platform to be perceived as insecure, underperforming, or unreliable, impede our efforts to attract and retain customers, and otherwise negatively impact our business, results of operations and financial condition.

We face security threats from malicious third parties that could obtain unauthorized access to our internal systems, networks and data. Computer malware, viruses and computer hacking, fraudulent use, social engineering (including spear phishing attacks) and general hacking have become more prevalent, and such incidents or incident attempts have been initiated against our customers in the past and may occur against our customers in the future. While we do not store customer information on the Exodus Platform or process transactions, and while the Exodus Platform encrypts our customers' data, including their private keys and, in the future, their personal identity documents, we may become the target of cyber-attacks by third parties seeking unauthorized access to our customers' confidential data, which could disrupt our ability to provide services on the Exodus Platform, or lead to exposure of customer information. Additionally, we use certain third-party service providers to store and process data on our behalf, and they face a variety of security risks. We have taken steps to protect customer information that might pass through our platform, as well as any confidential information we may obtain through our customer support services. However, our security measures or those of our third-party service providers could be breached or we could suffer data loss or unauthorized access to, or use of, our platform or the systems or networks used in our business.

It is virtually impossible for us to entirely mitigate the risk of these security threats, and the security, performance, and reliability of the Exodus Platform may be disrupted by third parties, including competitors, hackers, disgruntled employees, former employees, or contractors. For example, we have found security vulnerabilities within the Exodus Platform in the past which require us to quickly identify and patch those vulnerabilities. Additionally, certain kinds of viruses or malware can corrupt basic functionalities of device operating systems to allow hackers to access or misdirect our customers' crypto assets.

We also process, store and transmit our own data as part of our business and operations. This data may include personally identifiable, confidential or proprietary information, and we use third-party service providers to store and process certain data for us. There can be no assurance that any security measures that we or our third-party service providers have implemented will be effective against current or future security threats. While we take steps in an effort to protect the security of our platform and the availability, integrity, confidentiality and security of our data, our security measures or those of our third-party providers could fail and result in unauthorized access to or use of our platform or unauthorized, accidental or unlawful access to, or disclosure, modification, misuse, loss or destruction of, our or our customers' data.

Private keys may also be compromised if customers choose to store their private keys in non-secure systems, such as third-party email services, which may be susceptible to security breaches and security incidents, despite our efforts to discourage our customers from engaging in these practices. Although such incidents are outside of our control and do not relate to any insecurity or vulnerability on the part of the Exodus Platform, customers may nevertheless blame or become dissatisfied with the Exodus Platform as a result of these negative experiences.

Whether or not accurate, a market perception that the Exodus Platform is insecure, underperforming or unreliable could result in:

- A loss of existing or potential customers or third-party relationships;
- Harm to our financial condition and results of operations;

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- Delay or inability to attain market acceptance of our platform;
- Expenditure of significant financial resources in efforts to analyze, correct, eliminate, remediate, or work around errors or defects, to address and eliminate vulnerabilities, and to address any applicable legal or contractual obligations relating to any actual or perceived security breach or incident;
- Negative publicity and damage to our reputation and brand; and
- Legal claims and demands (including for stolen assets or information, repair of system damages, and compensation to customers), litigation, regulatory audits, proceedings or investigations, and other liabilities.

Any actual or perceived security breach or other incident may also lead to the expenditure of significant financial and other resources in efforts to investigate or correct a breach, address and eliminate vulnerabilities and prevent future security breaches or incidents, as well as the incurring of significant expenses for remediation that may include liability for stolen assets or information, repair of system damage that may have been caused, and other liabilities. We have incurred and expect to incur significant expenses in an effort to prevent security breaches and other incidents, including deploying additional personnel and protection technologies, training personnel and engaging third-party experts and consultants.

Furthermore, because data security is a competitive factor in our industry, we make statements publicly, including in our privacy policies and terms of service, providing assurances about the security of our platform, including descriptions of our security measures. Should any of these statements be untrue or become untrue, even though circumstances beyond our reasonable control, we may face claims, investigations or other proceedings by U.S. federal and state regulators, as well as foreign regulators and private parties.

Our risk management efforts may not be effective to prevent fraudulent activities by third-party providers or other parties, which could expose us to material financial losses and liability and otherwise harm our business.

We contract with third-party providers for applications available through our platform, as well as some services required to maintain the platform. We may be targeted by parties, including customers, hackers, or third-party providers, who seek to commit acts of financial fraud using techniques such as stolen identities and bank accounts, compromised email accounts, employee or insider fraud, account takeover, or other types of fraud. We may suffer losses from acts of financial fraud committed by our employees or third parties.

The techniques used to perpetrate fraud on our platform and the applications accessed through our platform are continually evolving, and we expend considerable resources to monitor and combat them, and to inform customers of the limits to the control we have over third-party provider activities. Additionally, when we introduce new products and applications, or expand existing products, we may not be able to identify all risks created by the new products or applications. Our risk management policies and procedures may not be sufficient to identify all of the risks to which we or our customers are exposed, to enable us to prevent or mitigate the risks we have identified, or to identify additional risks to which we or our customers may become subject in the future. Furthermore, our risk management policies and procedures may contain errors, or our employees or agents may commit mistakes or errors in judgment as a result of which we may suffer large financial losses.

The growth of our business will continue to place significant demands on our risk management efforts, and we will need to continue developing and improving our existing risk management policies and procedures. As techniques used to perpetrate fraud on our platform evolve, we may need to modify our platform, services or agreements with third parties to mitigate fraud risks. Further, these types of fraudulent activities on our platform can also expose us to civil and criminal liability, governmental and regulatory sanctions as well as potentially cause us to be in breach of our contractual obligations to our third-party providers.

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Customers or third-party activities may subject us to liability or cause us to experience adverse political, business, and reputational consequences with customers, employees, third parties, government entities, and others.

Activities of our customers or other third parties could subject us to regulatory enforcement actions or liabilities. Our customers may use our platform in violation of applicable law or in violation of our terms of service or the terms of service of our third-party API providers. For example, applicable U.S. federal and state and foreign laws may prohibit us from making available our platform or certain of its functionalities in all jurisdictions.

We use geo-blocking technology to block the Exodus Platform's availability in jurisdictions subject to U.S. trade embargoes, namely, the Crimea region of Ukraine, Cuba, Iran, North Korea, Sudan, and Syria. We also use geo-blocking to block the availability of SportX through the Exodus Platform in jurisdictions that prohibit online gambling, namely, Switzerland, the United Kingdom and its overseas territories, France and its overseas territories, the Netherlands and its overseas territories, Singapore, Turkey, and the United States and its territories. We also use geo-blocking technology to block the availability of API integrations for third-party crypto-to-crypto exchange services in the states of New York and Washington. However, customers may attempt to circumvent our geo-blocking to gain access to our platform or certain of its functionalities in violation of applicable law. Additionally, while our API agreements with crypto-to-crypto exchanges include representations by the exchange that the exchange will comply with applicable sanctions and export control laws, will not provide services to any parties located or resident in any area subject to U.S. sanctions or identified in any sanctions list maintained by OFAC, and has implemented reasonable sanctions compliance procedures, there can be no assurance that the exchanges will comply with their obligations to us under our API agreements. If governmental authorities choose to initiate legal or regulatory proceedings against us as a result, we could be subject to enforcement actions, disgorgement of profits, fines, civil and criminal penalties, damages, injunctions and the costs associated with defending against such actions. The existing laws relating to the liability of providers of online products and services for activities of their users, as well as the laws governing transactions in crypto assets, are highly unsettled and in flux both within the United States and internationally, and there can be no assurance that our compliance efforts will keep pace with changes in the law.

We may be subject to political, business or reputational risks due to the activities of customers or other third parties that are out of our control. Customers may assume that we are able to prevent scams by third parties or others or that we have control over their assets or the ability to log in to their wallet if they lose their login information, and our reputation may be negatively impacted if we are perceived to be taking insufficient measures to address such concerns, even if the non-custodial nature of the Exodus Platform prevents us from doing so as a technical matter. In addition, customer concerns about third-party services or crypto assets made available through the Exodus Platform may cause our reputation to suffer for reasons outside of our control. For example, we have received complaints associated with delays by third-party blockchains in processing and recording transactions in crypto assets. While we cannot control the operation of these blockchains, customers may and have attributed such delays to our platform, leading to doubts about the efficiency or reliability of the Exodus Platform. For more information, see “—Any actual or perceived failure of the Exodus Platform to block malware or prevent failures or security breaches or incidents could harm our reputation, cause the Exodus Platform to be perceived as insecure, underperforming, or unreliable, impede our efforts to attract and retain customers, and otherwise negatively impact our business, results of operations and financial condition.” As a result of activities by our customers or other third parties outside of our control, we may experience adverse political, business or reputational consequences.

We believe our long-term value as a company will be greater if we focus on improving our customers' experience with our platform, rather than growth or profitability, which may negatively impact our profitability.

A significant part of our business strategy is to focus on customer service and improving our customers' experience using the Exodus Platform. As a result, our profitability may be lower, particularly in the near term, than it would be if our strategy were solely to maximize growth. Significant expenditures on customer service, enhancing our platform, pursuing relationships with API providers, and recruiting and retaining customer service employees, may not ultimately grow our business or cause long-term profitability. If we are ultimately unable to achieve or improve profitability at the level or during the time frame anticipated by industry or financial analysts and our stockholders, our stock price might decline or our business might be negatively affected.

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If our customers' or contractual providers' access to our platform is interrupted or delayed for any reason, our business could suffer.

Any interruption or delay in our customers' or third-party API providers' access to our platform will negatively impact our customers. Our customers depend on the continuous availability of the Exodus Platform to send, receive, exchange, stake and unstake crypto assets, and our platform is designed to operate without interruption. The adverse effects of any platform interruptions on our reputation and financial condition may be heightened due to the nature of our business and our customers' expectation of continuous and uninterrupted access to their wallet and low tolerance for interruptions for any duration.

The following factors, many of which are beyond our control, can affect the delivery, performance, and availability of our platform:

- The development, maintenance, and functioning of the infrastructure of the Internet as a whole;
- The performance and availability of third-party telecommunications services with the necessary speed, data capacity, and security for providing reliable Internet access and services;
- Decisions by the owners and operators of facilities through which our platform is deployed or by global telecommunications service providers who provide us with network bandwidth to terminate our contracts, discontinue services to us, shut down operations or facilities, increase prices, change service levels, limit bandwidth, declare bankruptcy, or prioritize the traffic of other parties;
- The occurrence of earthquakes, floods, fires, power loss, system failures, physical or electronic break-ins, acts of war or terrorism, human error or interference (including by disgruntled employees, former employees, or contractors), pandemics, and other catastrophic events;
- Cyberattacks targeted at us, facilities where our platform infrastructure is located, our global telecommunications service providers, or the infrastructure of the Internet;
- Errors, defects, or performance problems in the software we use to operate our platform to our customers;
- Our customers' or contractual providers' improper deployment or configuration of our customers' access to our platform;
- The maintenance of the APIs in our systems that our providers use to interact with our platform;
- The failure of our redundancy systems, in the event of a service disruption at one of the facilities hosting our platform infrastructure, to redistribute load to other components of our platform; and
- The failure of our disaster recovery and business continuity arrangements.

The occurrence of any of these factors, or our inability to efficiently and cost-effectively fix such errors or other problems that may be identified, could damage our reputation, negatively impact our relationship with our customers, or otherwise materially harm our business, results of operations, and financial condition.

We rely on software applications that are developed by others, including our API providers, the failure or loss of which could cause us to become less competitive and delay or prevent the delivery of our products or services, and which face security and service interruption risks.

We license many third-party applications to integrate with our platform through the interaction of APIs. We believe a significant component of our value proposition to customers is the ability to interface with these third-party applications through APIs on and within our platform. These third-party APIs and other third-party software and products are constantly evolving, and we may not be able to modify our platform to assure its compatibility with that of other third parties following development or technology changes, and any errors, defects, or operation failures in or of any third party services could result in errors or the loss of functionality in our platform and solutions that could harm our business. Additionally, our business may be harmed if any provider of such software systems discontinues or limits our access to its software or APIs, fails to license APIs to us on commercially reasonable terms, or develops or otherwise favors its own competitive offerings over ours. During 2020, three API providers individually generated \$8.1 million, \$4.5 million and \$5.8 million in revenues,

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representing in the aggregate approximately 86% of our total revenues during 2020. If we fail to maintain or renegotiate any of these licenses, we could face significant delays and diversion of resources in attempting to develop similar or replacement offerings, or to license and integrate a functional equivalent of the offering.

Additionally, these third-party APIs and other third-party software and products that may be integrated with or otherwise used with the Exodus Platform face a variety of security threats, and there can be no assurance that any security measures the providers of these third-party offerings will be effective against current or future security threats. The security measures of these third-party providers could fail and result in unauthorized access to or use of our platform or unauthorized, accidental or unlawful access to, or disclosure, modification, misuse, loss or destruction of, data exchanged through these services. We cannot guarantee that this data will not be compromised in the event of a successful cyberattack against the third party or other similar malicious activity. Similarly, the services may be interrupted, and files or functionality may become temporarily unavailable in the event of this type of attack or malicious activity. If any data exposure or other compromise occurs or is perceived to have occurred, our reputation may be harmed, and we may be subject to claims, investigations or other proceedings and legal liability.

Our success depends, in part, on the success of our strategic relationships with third parties. If any of our agreements with third-party providers are terminated, our business, results of operations and financial condition could be adversely affected.

We depend on, and anticipate that we will continue to depend on, various third-party relationships in order to sustain and grow our business, including technology companies and application developers whose products integrate with ours. In particular, we rely on API agreements with cryptocurrency exchanges and app providers to integrate third-party services underpinning several key aspects of the Exodus Platform's functionality and features. These agreements may be terminated by us or our counterparties at any time with limited notice. If any of these API agreements are terminated or suspended, whether due to a failure or breach of performance or otherwise, the functionality of the Exodus Platform could be adversely affected and we could be forced to incur additional expenses in seeking replacements or may not be able to obtain replacements in a timely fashion, if at all, and such interruptions or discontinuations of service could interfere with our existing customer relationships and make us less attractive to potential new customers.

For example, the Exodus Platform's Exchange Aggregator relies on API agreements with cryptocurrency exchanges, so that our customers can place orders with these exchanges through the Exodus Platform. While the termination or suspension of any one API agreement with a cryptocurrency exchange is unlikely to materially impact the performance of the Exchange Aggregator or our results of operations, multiple terminations or suspensions with multiple exchanges in a short period of time could impair the functionality of the Exchange Aggregator, resulting in customer dissatisfaction and lost revenue. Additionally, certain of our third-party API providers deliver features and functionalities that, if no longer available to us, cannot be replaced easily or in a timely fashion, if at all. For example, the SportX app allows customers in certain jurisdictions located outside of the United States and its territories to place sports wagers using crypto assets held in the Exodus Platform. We believe that SportX's offering is unique and, if our API agreement with SportX were to be terminated for any reason, we would not be able to provide a similar service on the Exodus Platform in the short-term, if at all. If any of our strategic relationships with third-party API providers were to be terminated, we could experience business interruptions and delays.

If we fail to effectively manage our growth, we may be unable to execute our business plan, maintain high-quality levels of support, ensure the security of our platform, adequately address competitive challenges, or maintain our corporate culture, and our business, financial condition, and results of operations would be harmed.

Our success following this offering will depend on our ability to effectively manage the growth of our business. The Exodus Platform has experienced rapid organic growth, in particular since the market for crypto assets began attracting widespread interest in 2017 and 2018, and we anticipate that the number of customers using our platform will increase substantially following this offering. Our growth has placed, and future growth

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will continue to place, a strain on our management and our administrative, operational and financial infrastructure. Our success will depend in part on our ability to manage this growth effectively, which will require that we continue to improve our administrative, operational, financial, and management systems and controls by, among other things:

- maintaining the integrity of our core business purpose, to design the best customer experience for crypto assets;
- maintaining high levels of customer support;
- ensuring the integrity and security of our platform and IT infrastructure;
- identifying and continuing to expand strategic relationships with third-party API providers and executing agreements to integrate third-party software into the Exodus Platform;
- further improving our key business applications, processes, and IT infrastructure; and
- enhancing our information and communication systems to ensure that our employees around the world are well coordinated and can effectively communicate with each other and our growing base of third-party API providers and customers.

Managing our growth will require significant capital expenditures and allocation of valuable management and employee resources. If we fail to manage our expected growth, the uninterrupted and secure operation of our platform, our compliance with the rules and regulations applicable to our operations, the quality of our platform, and our ability to compete could suffer. Any failure to preserve our culture also could further harm our ability to retain and recruit personnel, innovate and create new enhancements for our platform, operate effectively, and execute on our business strategy.

In 2019 and 2018, Exodus identified material weaknesses in our internal control over financial reporting and, if its remediation of these material weaknesses is not effective, or if it fails to maintain an effective system of internal control over financial reporting in the future, it may not be able to accurately or timely report our financial condition or results of operations, which may adversely affect investor confidence in us and the price of our common stock.

A material weakness is a deficiency or combination of deficiencies in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our consolidated financial statements will not be prevented or detected on a timely basis. During the periods covered by the consolidated financial statements included in this offering statement, our external auditors identified material weaknesses in its internal control over financial reporting:

- It was determined that as of December 31, 2018, Exodus's financial close process was not sufficient which caused a material weakness in financial reporting and disclosure controls

During 2020, Exodus addressed the internal control issues that contributed to the material weaknesses, by:

- building out and documenting policies and procedures related to financial reporting and accounting practices.
- hiring additional finance and accounting personnel and/or consultants

As a "Tier 2" issuer under Regulation A, we will not need to provide a report on the effectiveness of our internal controls over financial reporting, and we will be exempt from the auditor attestation requirements concerning any report, at least for as long as we remain a Tier 2 issuer.

Abuse or misuse of our customer service tools could cause significant harm to our business and reputation.

In order to provide real-time support to our customers, our employees use customer service tools developed internally as well as third-party tools to diagnose and correct customer security, platform performance, and reliability issues. If our employees were to negligently use or intentionally abuse these tools by interfering with or altering our customers' wallet information, our customers could be significantly harmed. Our employees' misuse of information received through the customer service tools, inadvertent or otherwise, could similarly harm our customers. Although our corporate policies prohibit employees from asking customers to provide their private keys, and we have procedures in place should customers unintentionally provide their private keys to us, our

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employees may negligently or intentionally fail to implement these policies or procedures while providing customer support. Any such improper disclosure or removal could significantly and adversely impact our business and reputation. While our tools have been developed only for authorized use by our employees, if a malicious actor were to obtain access to the tools and impersonate our employees, our customers' information could be impacted. Accordingly, any abuse or misuse of our customer service tools could significantly harm our business and reputation. If it became necessary to further restrict the availability or use of our customer service tools by our employees in response to any abuse or misuse, our ability to deliver high-quality and timely customer support could be harmed.

Our international operations expose us to additional risks, and failure to manage those risks could materially and adversely impact our business.

While Exodus does not have physical infrastructure outside of the United States, we do have personnel, subsidiaries and operations outside of the United States and contracts with international third-party API providers. Our international operations and any expansion internationally could subject us to a variety of additional risks and challenges, including:

- increased management, travel, infrastructure and legal compliance costs associated with having operations in multiple jurisdictions;
- providing our platform and operating our business across a significant distance, in different languages, among different cultures and time zones, including the potential need to modify our platform to ensure that they are culturally appropriate and relevant in different countries;
- compliance with foreign privacy, data protection, and security laws and regulations, including data localization requirements, and the risks and costs of non-compliance;
- greater difficulty in enforcing contracts and accounts receivable collection, and longer collection periods;
- limitations on our ability to market our platform and for our solution to be effective in foreign markets that have different cultural norms and related business practices that de-emphasize the importance of positive customer and employee experiences;
- differing technical standards, existing or future regulatory and certification requirements and required features and functionality;
- political and economic conditions and uncertainty in each country or region in which we operate and general economic and political conditions and uncertainty around the world;
- compliance with laws and regulations for foreign operations, including anti-bribery laws, import and export control laws, tariffs, trade barriers, economic sanctions and other regulatory or contractual limits on our ability to acquire new customers in certain foreign markets, and the risks and costs of noncompliance;
- changes in a specific country's or region's political or economic conditions;
- reduced or uncertain protection for intellectual property rights in some countries;
- greater risk of unexpected changes in regulatory practices, tariffs, and tax laws and treaties;
- greater risk of a failure of foreign personnel and third-party API providers to comply with both U.S. and foreign laws, including antitrust regulations, anti-bribery laws, export and import control laws, and any applicable trade regulations ensuring fair trade practices;
- differing employment practices and labor relations issues;

We have taken appropriate measures to ensure that we are in compliance with foreign laws and regulations, such as the use of geo-blocking technology to prohibit the Exodus Platform and certain of its functionalities and third-party services from being accessed in certain jurisdictions where required by applicable law. Despite these efforts, individuals may try to circumvent these efforts. If our non-custodial wallets or the applications we offer were to be banned in other countries as a result of legal changes or regulatory or legal challenges to the Exodus Platform, we could lose access to customers in those countries, which could materially and adversely impact our business.

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We also contract with international third-party API providers. During 2020, three API providers individually generated \$8.1 million, \$4.5 million and \$5.8 million in revenues, representing in the aggregate approximately 86% of our total revenues during 2020. Our revenue in 2020 was derived primarily from non-U.S. jurisdictions, with 91% attributable to the Asia-Pacific (“APAC”) region, 5% attributable to Europe, the Middle East, and Africa (“EMEA”), 3% attributable to United States, and 1% attributable to Canada and Latin America (“Other Americas”). If those international third-party API providers were to not pay us according to our agreements, we might experience greater difficulty enforcing the contracts and accounts receivable collection, and longer collections periods. Additionally, it might be difficult to enforce indemnification clauses outside of the United States, the European Union, or Switzerland. Failure to mitigate the risks associated with our international providers could impact our ability to conduct our business as planned.

Our business could be adversely impacted by the decision of foreign governments, Internet service providers, or others, to block transmission from IP addresses on which our platform depends in order to enforce certain Internet content blocking efforts.

The evolving design of our platform may create challenges for various organizations, including governments, that seek to block certain content based on IP address “blacklists” or other mechanisms. If these challenges become too difficult for those organizations to overcome, they could make the decision to block content in an overbroad manner or block completely websites of providers that integrate with our platform. For example, the Chinese government restricts access to certain Google Cloud services from within the People’s Republic of China, and users of our mobile platform have experienced degraded functionality in China due to these restrictions on our platform’s ability to connect with those services. Some of these blocking efforts would be out of our control once they have been put in place and may limit our ability to provide our platform or third-party applications on a fully global basis, which could reduce demand for our platform among current or potential customers that are focused on the impacted regions or could otherwise adversely impact our business, results of operations, and financial condition.

We face intense and increasing competition, which could adversely affect our business, financial condition, and results of operations.

The market for our platform is intensely competitive and characterized by rapid changes in technology, customer expectations, industry standards, and frequent introductions of new, and improvements of, existing products. Our platform exposes us to competition from competitors including other wallet providers and crypto asset exchanges.

We expect competition to increase as other established and emerging companies and start-ups enter the markets for crypto assets, particularly with respect to wallets, exchanges and applications designed to support crypto assets. If we are unable to anticipate or effectively react to these competitive challenges, our competitive position could weaken, and we could experience a decline in revenue or our growth rate that could materially and adversely affect our business and results of operations.

Our potential competitors include exchanges with substantial infrastructure that choose to enter the market for crypto assets, existing crypto asset exchanges that expand their services or technologies, as well as existing wallet providers that enter the application development market or offer more comprehensive solutions or adapt more quickly than us to new technologies and customer needs. Additionally, if the number of wallet providers, exchanges or wallet applications increases substantially, it could reduce the demand for our platform and increase competitive pressure on us. These competitive pressures in our markets or our failure to compete effectively may result in few customers, reduced revenue and gross margin, increased net losses, and loss of market share.

Our current and potential competitors include a number of different types of companies, including:

- Exchanges that specialize in crypto assets, including Binance US, Bittrex, Coinbase, Gemini, Kraken, Paxos, and ShapeShift;
- Crypto asset wallets, such as Bitpay Wallet, Bread Wallet, Coinbase Wallet, Coinomi Wallet, Jaxx Wallet, and Trust Wallet;
- Banks, non-depository trust companies and other chartered financial institutions that offer crypto asset custody services, including Gemini, Paxos and Prime Trust;
- Custodial financial applications such as Venmo and Cash App, which may in the future seek to create a non-custodial model; and

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- Exchanges or other fintech companies with substantial infrastructure and market share that decide to and may be legally able to offer crypto assets, such as NYSE, Nasdaq and Robinhood.

Many of our existing and potential competitors have or could have substantial competitive advantages including, among others:

- greater name recognition;
- longer operating histories and larger customer bases;
- larger sales and marketing budgets and capital resources;
- broader distribution and established relationships with providers and customers;
- greater customer support resources;
- greater resources to make acquisitions and enter into strategic relationships;
- lower labor and software development costs;
- range of supported crypto assets;
- lower customer acquisition costs; and
- substantially greater financial, technical, and other resources.

In particular, some of our competitors may have substantially broader and more diverse product and services offerings, allowing them to leverage existing commercial relationships, incorporate functionality into existing products, sell products and services with which we compete at zero or negative margins, offer fee waivers and reductions or other economic and non-economic concessions, bundle products, maintain closed technology platforms, or render our platform unable to interoperate with such products. If they were to engage in predatory practices, it could harm our existing platform offerings or prevent us from creating viable products in other segments of the markets in which we participate. If our competitors are able to exploit their advantages or are able to persuade our customers or potential customers that their products are superior to ours, we may not be able to compete effectively and our business, financial condition, and results of operations may be materially affected.

We rely on our key technical, customer service, and management personnel to grow our business, and the loss of one or more key employees or the inability to attract and retain qualified personnel could harm our business.

Our future success is substantially dependent on our ability to attract, retain, and motivate the members of our management team and other key employees throughout our organization, particularly our founders, Jon Paul Richardson and Daniel Castagnoli. We rely on our leadership team in the areas of platform development, operations, customer support, and general administrative functions, and on individual contributors on our creative and engineering teams. Several of our developers and designers have been with us since we began developing the Exodus Platform, and their knowledge and understanding of how the platform works and their vision of how it will work in the future make them critical to maintaining and developing our platform. Although we have entered into employment offer letters with our key personnel, these agreements have no specific duration and constitute at-will employment. We do not maintain key person life insurance policies on any of our employees. The loss of one or more of our executive officers or key employees could seriously harm our business.

To execute our growth plan, we must attract and retain highly qualified personnel. In particular, it is critical for us to attract and retain engineering talent in our fast-growing industry. We have from time to time experienced, and we expect to continue to experience, difficulty in hiring employees with appropriate qualifications. In addition, job candidates and existing employees often consider the value of the equity awards they receive in connection with their employment. Volatility or lack of performance in our stock price may also affect our ability to attract and retain our key employees. Any failure to successfully attract, integrate, or retain qualified personnel to fulfill our current or future needs could materially and adversely affect our business, results of operations, and financial operations.

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If we are not able to maintain our brand or reputation, our business and results of operations may be adversely affected.

We believe that maintaining our reputation as a leading provider of a non-custodial crypto asset wallet with the best customer experience, and allowing customers to have direct control over their financial assets, is critical to our relationship with our existing customers and our ability to attract new customers. The successful promotion of our brand will depend on a number of factors, including our record of security, performance, and reliability; our ability to continue to develop high-quality features for and integrate high-quality products on our platform through API agreements; and our ability to successfully differentiate our platform from competitive products and services. Our brand promotion activities may not be successful or yield increased revenue.

Independent industry and financial analysts often provide reviews of our platform, as well as those of our competitors. Perception of our offerings in the marketplace may be significantly influenced by these expert reviews. If reviews of our platform are negative, or less positive than those of our competitors, our brand may be adversely affected. The performance of our third-party API providers may also affect our brand and reputation, particularly if customers do not have a positive experience with our API providers. While we have developed the Exodus brand without substantial expenditures on marketing, the further promotion of our brand may require us to make increased expenditures, and we anticipate that the expenditures will increase as our market become more competitive. Expenditures intended to maintain and enhance our brand may not be cost-effective or effective at all. If we do not successfully maintain and enhance our brand, we may have reduced pricing power relative to our competitors, we could lose customers, or we could fail to attract potential new customers or expand offerings of new products to our existing customers, all of which could materially and adversely affect our business, results of operations, and financial condition.

If we are not able to effectively develop platform enhancements, introduce new products or keep pace with technological developments that are attractive to our current and prospective customers, our business, results of operations and financial condition could be adversely affected.

Our future success will depend on our ability to adapt and innovate. To attract new customers and increase revenue from our existing customers, we will need to enhance and improve our existing platform and introduce new products, features and functionality. We have continuously released biweekly updates across the Exodus Platform. While our customers expect these biweekly updates, future enhancements and new products that we develop may not be introduced in a timely or cost-effective manner, or may contain errors or defects and may have interoperability difficulties with our platform. We have in the past experienced delays in our internally planned release dates of new products, features and functionality, and there can be no assurance that these developments will be released according to schedule. We have also prioritized, and may continue to prioritize, the development of relationships with third-party API providers whose application programs and services we integrate into the Exodus Platform, which we believe will enhance our platform by providing additional use cases for crypto assets to our customers. However, we may not be able to integrate these programs or services successfully or achieve the expected benefits of such integration. If we are unable to successfully develop, acquire or integrate new products, features and functionality, or to enhance our existing platform to meet the needs of our existing or potential customers in a timely and effective manner, our business, results of operations and financial condition could be adversely affected.

In addition, because our platform is designed to operate on a variety of networks, applications, systems and devices, we will need to continually modify and enhance our platform to keep pace with technological advancements in such networks, applications, systems and devices. If we are unable to respond in a timely, user-friendly and cost-effective manner to these rapid technological developments, our platform may become less marketable and less competitive or obsolete, and our business, results of operations and financial condition may be adversely affected.

Our third-party API providers may fail to pay us in accordance with the terms of their agreements, at times necessitating action by us to attempt to compel payment.

We typically enter into API agreements with third-party cryptocurrency exchanges and other crypto asset service providers, which provide for the payment of integration fees to us based on agreed-upon metrics. If our third-party API providers fail to pay us in accordance with the terms of our agreements, we may be adversely affected both from the inability to collect amounts due and the cost of enforcing the terms of our agreements,

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including litigation and arbitration costs. Furthermore, some of our third-party API providers may seek bankruptcy protection or other similar relief and fail to pay amounts due to us, or pay those amounts more slowly, either of which could adversely affect our results of operations, financial condition and cash flow.

Disputes with our customers and other third parties could be costly, time-consuming and harm our business and reputation.

Our business requires us to distribute the Exodus Platform in many different jurisdictions, and to enter into agreements with a large number of third-party providers in many different jurisdictions. Our agreements contain a variety of terms, including service levels, data privacy and security obligations, indemnification, dispute resolution procedures and regulatory requirements. Agreement terms may not be standardized across our business and can be subject to differing interpretations and local law requirements, which could result in disputes with our customers and other third parties from time to time. If our customers or other third parties notify us of a breach of contract or otherwise dispute the terms of our agreements, the dispute resolution process could be expensive and time consuming and result in the diversion of resources that could otherwise be deployed to grow our business. Even if these disputes are resolved in our favor, we may be unable to recoup the expenses and other diverted resources committed to resolving the dispute and, if we receive negative publicity in connection with the dispute, our reputation and brand may be harmed. Furthermore, the ultimate resolution of such disputes may be adverse to our interests and as a result could adversely affect our results of operations and financial condition.

We depend and rely upon third parties to operate certain elements of our infrastructure, and interruptions in these technologies may adversely affect our business and results of operations.

We utilize third-party cloud infrastructure services to operate and maintain certain elements of our platform and business. For example, all of our website traffic flows through cloud-based services which provide security to protect against bad traffic, or potential malicious attacks. Some elements of the complex system that hosts our platform are operated by third parties that we do not control and that could require significant time to replace. We expect this dependence on third parties to continue. Interruptions in these providers, our own internal infrastructure, or the third-party systems on which we rely, whether due to system failures, computer viruses, physical or electronic break-ins, natural disasters, or other factors, could affect the security or availability of the Exodus Platform. We have previously experienced service disruptions in the past, such as an outage which prevented our customers from accessing the Exchange Aggregator on our platform, being able to log in, or accessing customer support through the mobile platform. We cannot assure you that we will not experience interruptions or delays in our service in the future.

Our existing third-party hosting providers have no obligations to renew their agreements with us on commercially reasonable terms or at all, and certain of the agreements governing these relationships may be terminated by either party at any time, with limited notice. If any of our arrangements with third parties are terminated, users could experience difficulty accessing the Exodus Platform, and we could incur additional expenses in arranging alternative cloud services. Further, third-party cloud providers can decide to shut down our accounts for various reasons with limited notice.

Our business could be adversely impacted by changes in Internet access for our customers or laws specifically governing the Internet.

Our platform performance and reliability depend on the quality of our customers' access to the Internet. Certain features of our platform require significant bandwidth and fidelity to work effectively. Internet access is frequently provided by companies that have significant market power that could take actions that degrade, disrupt, or increase the cost of customer access to our platform, which would negatively impact our business. We could incur greater operating expenses and our customer acquisition and retention could be negatively impacted if other network operators:

- implement usage-based pricing;
- discount pricing for competitive products;
- otherwise materially change their pricing rates or schemes;
- charge us to deliver our traffic at certain levels or at all;

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- throttle traffic based on its source or type;
- implement bandwidth caps or other usage restrictions; or
- otherwise try to monetize or control access to their networks.

In addition, there are various laws and regulations that could impede the growth of the Internet or online services, and new laws and regulations may be adopted in the future. These laws and regulations could involve interconnection and network management; taxation; tariffs; privacy; licensing; data protection; data security; content; copyrights; distribution; electronic contracts and other communications; consumer protection; and requirements for the characteristics and quality of services, any of which could decrease the demand for, or the usage of, our platform. Legislators and regulators may make legal and regulatory changes, or interpret and apply existing laws, in ways that require us to incur substantial costs, expose us to unanticipated civil or criminal liability, or cause us to change our business practices. If these changes are implemented, it could have an adverse and negative impact on our business. In addition, we may be banned from providing our platform in certain countries, which would prevent our ability to grow our business in such markets and would also have a detrimental impact on the performance and scope of our platform. These changes or increased costs could materially harm our business, results of operations, and financial condition.

If we are required to reclassify independent contractors as employees, we may incur additional costs and taxes which could adversely affect our business, financial condition, results of operations and prospects.

We use a significant number of independent contractors in our international operations for whom we do not pay or withhold any employment tax based on their location or jurisdiction. Whether an individual is an employee or an independent contractor depends on applicable local law and may be subject to multiple, fact-intensive factors. There can be no assurance that legislative, judicial or regulatory (including tax) authorities will not introduce proposals or assert interpretations of existing rules and regulations that would change, or at least challenge, the classification of our independent contractors. Although we believe we have properly classified our independent contractors, foreign tax authorities may determine that we have misclassified our independent contractors for employment tax or other purposes and, as a result, seek additional taxes from us or attempt to impose fines and penalties. If we are required to pay employer taxes or pay backup withholding with respect to prior periods with respect to or on behalf of our independent contractors, our operating costs will increase, which could adversely impact our business, financial condition, or results of operations.

We may in the future be party to intellectual property rights claims and other litigation, governmental and regulatory matters that, could be costly to defend, and if resolved adversely, could have a material impact on our business, results of operations, or financial condition.

We own copyrights, trademarks, and domain names and, from time to time, may be subject to litigation based on allegations of infringement, misappropriation, or other violations of intellectual property or other rights. For example, we have trademarked the name “Exodus” in the context of digital money and digital wallets, with the U.S. Patent and Trademark Office and we have ownership of the *exodus.com* domain name. As we face increasing competition and gain an increasingly high profile, the possibility of intellectual property rights claims, commercial claims, and other assertions against us grows. In addition, a number of companies in our industry hold a large number of patents and also protect their copyright, trade secret, and other intellectual property rights, and companies in the financial technology industry frequently enter into litigation based on allegations of patent infringement or other violations of intellectual property rights. While we have not been a party to litigation so far, we may, from time to time in the future, become a party to litigation and disputes related to intellectual property, our business practices, and our platform. We may also be subject to governmental and other regulatory investigations from time to time. The costs of supporting litigation and dispute resolution proceedings are considerable, and there can be no assurances that a favorable outcome will be obtained. Disputes, whether or not favorably resolved, may generate negative publicity and damage our reputation. We may need to settle litigation and disputes on terms that are unfavorable to us, or we may be subject to an unfavorable judgment that may not be reversible upon appeal. The terms of any settlement or judgment may require us to cease some or all of our operations or pay substantial amounts to the other party. With respect to any intellectual property rights claim, we may have to seek a license to continue practices found to be in violation of third-party rights, which may not be available on reasonable terms and may significantly increase our operating expenses. A license to continue such practices may not be available to us at all, and we may be required to develop alternative non-infringing

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technology or practices or discontinue the practices. The development of alternative, non-infringing technology or practices could require significant effort and expense. Our business, results of operations, and financial condition could be materially and adversely affected as a result.

Our holdings of crypto assets expose us to potential risks, including exchange, security and liquidity risks, which could negatively affect our business, financial condition, and results of operations.

We have invested, and expect to continue to invest, a substantial portion of our cash and cash equivalents into crypto assets, such as Bitcoin and Ether, which we record on our balance sheet as indefinite-lived intangible assets. As of December 31, 2020, crypto asset holdings, such as Bitcoin and Ether, accounted for approximately 37.0% of our total assets, and during the year ended December 31, 2020, we derived primarily all of our revenue in the form of crypto assets, primarily Bitcoin. Any change in the U.S. dollar value of crypto assets such as Bitcoin will affect our consolidated financial statements when our operating results are translated into U.S. dollars for reporting purposes. In addition, volatility of Bitcoin and other crypto assets may affect our business by increasing or decreasing the value of the funds available to us. The prices of crypto assets are extremely volatile. Fluctuations in the price of crypto assets could materially and adversely affect our results of operations, as the prices of crypto assets have historically been subject to dramatic fluctuations. In the event of a decline in value of Bitcoin, our financial position, results of operations, and cash flows could be materially and adversely affected.

Most of our expenses, like employee salaries, are denominated in U.S. dollars and paid using Bitcoin. While the dollar impact of these expenses on our financial condition and results of operations is not affected by fluctuations in Bitcoin value, we are subject to translational risk because we may be required to pay a larger amount of Bitcoin to satisfy these expenses if the dollar value of Bitcoin decreases. Certain of our other liabilities, expenses and costs must be paid in U.S. dollars, and we may be required to convert crypto assets to U.S. dollars in order to satisfy those liabilities, expenses and costs. The U.S. dollar value of any given crypto asset can fluctuate significantly and may be characterized by volatility. There can be no assurance that we will be able to exchange our crypto assets for U.S. dollars on a timely basis, if at all, or for a fair price. If the value of our crypto assets declines, or if we experience difficulties converting our crypto assets to U.S. dollars, we may not have sufficient liquid assets to satisfy our liabilities, expenses and costs as they become due, which may negatively affect our business operations and financial condition. We are exposed to transaction costs and exchange risks because we usually convert a portion of our Bitcoin holdings into U.S. dollars each month, with a general target of ensuring that half of our total cash holdings are held in Bitcoin and the other half in U.S. dollars, and there can be no assurances that our efforts to maintain an adequate balance of U.S. dollar holdings will be successful.

Additionally, crypto assets generally are not subject to the protections typically enjoyed by more conventional types of financial assets, such as Federal Deposit Insurance Corporation (“FDIC”) or Securities Investor Protection Corporation insurance. If our crypto assets are lost, stolen or destroyed, we may not have adequate sources of recovery and, even if we can identify a third party responsible for such loss, theft or destruction, such third party may not have the financial resources sufficient to make us whole again.

Our business is subject to the risks of catastrophic events.

A significant natural disaster, such as an earthquake, fire, power outage, flood or other catastrophic event, or interruptions by strikes, terrorism or other man-made problems, or interruptions due to public health crises or pandemics, such as the ongoing COVID-19 pandemic, or other unforeseen significant interruptions could have a material adverse effect on our business, operating results and financial condition. Despite any precautions we may take, the occurrence of a natural disaster or other unanticipated problems could result in lengthy interruptions in our services. In addition, acts of strikes, terrorism and other geo-political unrest could cause disruptions in our business and lead to interruptions, delays or loss of critical data. All of the aforementioned risks may be further increased if our disaster recovery plans prove to be inadequate.

We do not currently maintain business interruption insurance to compensate us for potentially significant losses, including potential harm to our business that may result from interruptions in our ability to provide our services. Any significant interruptions to our business caused by, among other things, natural catastrophic events such as earthquakes, fires, power outages or floods, man-made problems such as strikes, terrorism or war, public health crises such as pandemics, acts of God, and other unforeseen activities or events that cause such

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interruptions could have a material adverse effect on the operations and development of the Exodus Platform or operations and development of applications that run on the Exodus Platform.

Certain of our market opportunity estimates, growth forecasts, marketing data related to customer use of our platform, and key metrics included in this offering circular could prove to be difficult to predict or inaccurate, and any real or perceived inaccuracies may harm our reputation and negatively affect our business.

Market opportunity estimates and growth forecasts are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. The estimates and forecasts in this offering circular relating to the size and expected growth of our target market may prove to be inaccurate. Even if the markets in which we compete meet the size estimates and growth forecasted in this offering circular, our business could fail to grow at similar rates, if at all. We also rely on assumptions and estimates to calculate certain of our key metrics and we regularly review and may adjust our processes for calculating our key metrics to improve their accuracy. Our key metrics may differ from estimates published by third parties or from similarly titled metrics of our competitors due to differences in methodology. Additionally, we rely on certain data streams for information related to downloads of the Exodus Platform, website visits, and active customers, as well as other statistics related to customer use of the platform. These data streams are unaudited, and while we believe they are an accurate representation of the use of our platform, they could be inaccurate. If investors or analysts do not perceive our metrics to be accurate representations of our business, or if we discover material inaccuracies in our metrics, our reputation, business, results of operations, and financial condition would be harmed.

We rely on search engine placement to attract a meaningful portion of our customers. If we are not able to generate traffic to our website through search engines, or increase the profile of the Exodus Platform through social media engagement, our ability to attract new customers may be impaired.

Many of our customers locate our website through internet search engines. The prominence of our website in response to internet searches is a critical factor in the attractiveness of the Exodus Platform, and our digital marketing efforts, such as search engine optimization, are intended to improve our search result rankings and draw additional traffic to our website. Visits to our website could decline significantly if we are listed less prominently or fail to appear in search results for any reason, including ineffective implementation of our digital marketing strategies or any change by a search engine to its ranking algorithms or advertising policies.

Visits to our website could also decline if our accounts on YouTube or other social media platforms are shut down or restricted. We work across these social networks to increase brand awareness of our company, and to promote customer acquisition. Any interruption of our use of social media platforms could result in reduced traffic to our website and diminished interest in the Exodus Platform, which could adversely affect our business and operating results.

Some of our technology incorporates or utilizes software released under the terms of “open source” licenses, which could subject us to possible litigation and be used by other companies to compete against us.

Aspects of the Exodus Platform and our applications include or utilize software released under the terms of open source licenses, including the MIT License, Internet Systems Consortium License, Apache License, Mozilla Public License and GNU Lesser General Public License. We could be subject to suits by parties claiming ownership of what we believe to be open source software, noncompliance with open source licensing terms, or that our use of such software infringes a third party’s intellectual property rights. Some open source software licenses require users who distribute or make available open source software as part of their software to publicly disclose all or part of the source code to such software and/or make available any derivative works of the open source code (which could include our proprietary modifications and/or platform code into which such open source software has been integrated) on terms allowing further modification and redistribution and at no or nominal cost. The terms of many open source licenses have not been interpreted by U.S. or foreign courts, and these licenses could be construed in a way that could impose other unanticipated conditions or restrictions on our ability to commercialize the Exodus Platform. While we monitor our use of open source software and try to ensure that none is used in a manner that would require us to disclose source code that we have decided to maintain as proprietary or that would otherwise breach the terms or fail to meet the conditions of an open source license or third-party contract, such use could inadvertently occur and we may as a result be subject to claims for breach of contract, infringement of intellectual property rights, or indemnification. Such inadvertent use could also require us to release our proprietary source code, pay damages, royalties, or license fees or other amounts,

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seek new licenses from third parties, re-engineer our platform or applications, discontinue sales or distribution of software in the event re-engineering cannot be accomplished on a timely basis, or take other remedial action that may divert resources away from the operation of our business, maintenance of our platform or our development efforts, any of which could adversely affect our business.

We anticipate voluntarily making available some of our software under open source licenses in the future, which could be used by other companies to compete against us.

A person or company could establish software, technology and networks based on the open source software we use and the software we publicly release under open source licenses, and it is possible such products would be substantially similar to and competitive with the Exodus Platform. If this were to happen, it is possible the value of the Exodus Platform could decline. Many of the risks associated with the usage of open source software cannot be eliminated, and could, if not properly addressed, negatively affect our business.

The Exodus Platform is free to download and use, and while this is an important part of our business strategy, we may not be able to realize all of the expected benefits of this strategy. The costs and other detriments associated with this strategy could outweigh the benefits we receive from offering the Exodus Platform for free.

We have always offered the Exodus Platform as a free download to customers. We believe that this approach is valuable for maintaining and growing our customer base, and because customers are more likely to engage with monetized features once they develop an interest in our platform, this is an important part of our overall business strategy. However, to the extent that we do not achieve the expected benefits of this strategy, our business may be adversely affected by making the Exodus Platform available for free. For example, customers may misuse or publicly criticize our platform, violate our terms of service or applicable laws while using the Exodus Platform, or require substantial attention from our customer support teams, while never using any of the monetized features of the Exodus Platform.

If we fail to integrate the Exodus Platform with operating systems, platforms, and hardware that are developed by others, the Exodus Platform may become less marketable, less competitive or obsolete and our business and results of operations would be harmed.

Our platform must integrate with a variety of operating systems, platforms, and hardware, and we need to continuously modify and enhance the Exodus Platform to adapt to changes in hardware, software and networking technologies. The Exodus Platform is available for download on macOS, Microsoft Windows and Linux desktop devices, and on iOS and Android mobile devices. The availability of the Exodus Platform and its various functionalities is therefore subject to standard policies and terms of service of these third-party platforms, which can affect the promotion, distribution, and operation generally of the Exodus Platform. Each platform provider has broad discretion to change and interpret its terms of service and other policies with respect to our platform and its functionalities, and those changes and interpretations may be unfavorable. For example, both the Apple iTunes App Store and the Google Play Store have imposed specific restrictions on the types and functionalities of crypto asset-related apps available on those platforms. A platform provider may also change its fee structure, add fees associated with access to and use of its platform, or restrict how users can access the platform, which would similarly be unfavorable.

If our estimates or judgments relating to our critical accounting policies prove to be incorrect or financial reporting standards or interpretations change, our results of operations could be adversely affected.

The preparation of consolidated financial statements in conformity with generally accepted accounting principles (“GAAP”) in the United States requires our management to make estimates and assumptions that affect the amounts reported and disclosed in our consolidated financial statements and accompanying notes. We base our estimates and assumptions on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. The results of these estimates form the basis for making judgments about the carrying values of assets, liabilities, and equity, and the amount of revenue and expenses that are not readily apparent from other sources. Significant assumptions and estimates used in preparing our consolidated financial statements include those related to revenue recognition, the valuation of crypto assets, and software development costs. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below the expectations of industry or financial analysts and investors, resulting in a decline in the trading price of our Class A common stock.

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Additionally, we regularly monitor our compliance with applicable financial reporting standards and review new pronouncements and drafts thereof that are relevant to us. As a result of new standards, or changes to existing standards, and changes in their interpretation, we might be required to change our accounting policies, alter our operational policies and implement new or enhance existing systems so that they reflect new or amended financial reporting standards, or we may be required to restate our published consolidated financial statements. Such changes to existing standards or changes in their interpretation may have an adverse effect on our reputation, business, financial condition, and profit and loss, or cause an adverse deviation from our revenue and operating profit and loss targets, which may negatively impact our results of operations.

The nature of our business requires the application of complex accounting rules, and any significant changes in current rules could affect our consolidated financial statements and results of operations.

The accounting rules and regulations that we must comply with are complex and are subject to interpretation by the Financial Accounting Standards Board (“FASB”), the SEC and various bodies formed to promulgate and interpret appropriate accounting principles. Recent actions and public comments from the FASB and SEC have focused on the integrity of financial reporting and internal controls over financial reporting. In addition, many companies’ accounting policies and practices are subject to heightened scrutiny by regulators and the public. A change in these principles or interpretations could have a significant effect on our reported results of operations and may even affect the reporting of transactions completed before the announcement or effectiveness of a change. It is difficult to predict the impact of future changes to accounting principles or our accounting policies, any of which could negatively affect our results of operations.

We may make acquisitions, investments in other companies, partnerships, alliances or other strategic transactions that could be material to our business, results of operations, financial condition and prospects. Such strategic transactions could be difficult to identify and integrate, divert the attention of key management personnel, disrupt our business, dilute stockholder value, and adversely affect our results of operations, financial condition, and prospects.

We believe that our long-term growth depends in part on our ability to develop and monetize additional aspects of our platform, which we may pursue through acquisitions, investments in other companies, partnerships, alliances or other strategic transactions.

Our ability as an organization to successfully acquire technologies or businesses is unproven. We may not be able to find suitable acquisition candidates and we may not be able to complete acquisitions on favorable terms, if at all. Even if we do complete an acquisition, we may not ultimately strengthen our competitive position or achieve our goals, and any acquisitions we complete could be viewed negatively by customers, developers, or investors. In addition, we may not be able to integrate acquired businesses successfully or effectively manage the combined company following an acquisition. If we fail to successfully integrate our acquisitions, or the people or technologies associated with those acquisitions, into our company, the results of operations of the combined company could be adversely affected. Any integration process will require significant time and resources, require significant attention from management, and disrupt the ordinary functioning of our business, and we may not be able to manage the process successfully, which could adversely affect our business, results of operations, and financial condition. In addition, we may not successfully evaluate or utilize the acquired technology and accurately forecast the financial impact of an acquisition transaction, including accounting charges.

We may also enter into relationships with other businesses, which could involve joint ventures, collaboration agreements, investments in other companies, or alliances. Negotiating these transactions can be time-consuming, difficult, and costly, and our ability to close these transactions may be subject to third-party approvals, such as government regulatory approvals, which are beyond our control. Consequently, we cannot assure you that these transactions, once undertaken and announced, will close or will lead to commercial benefit for us.

In connection with the foregoing strategic transactions, we may:

- issue additional equity securities that would dilute our stockholders;
- use cash that we may need in the future to operate our business;
- incur debt on terms unfavorable to us or that we are unable to repay;
- incur large charges or substantial liabilities;

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- encounter difficulties integrating diverse business cultures; and
- become subject to adverse tax consequences, substantial depreciation, or deferred compensation charges.

These challenges related to acquisitions or other strategic transactions could adversely affect our business, results of operations, financial condition, and prospects.

Risks Related to the Common Stock Tokens and Trading on an ATS

We are offering shares of our Class A common stock in this offering. Our Class A common stock exists solely as book-entry shares within the records of the Transfer Agent. Shares of our Class A common stock will not have traditional share certificates. We intend that each share of our Class A common stock will be represented by a digital token (“**Common Stock Token**”) that can be viewed through the Exodus Platform. Common Stock Tokens will not be shares of common stock; rather, they will be digital representations of the number of shares purchased and held by a given stockholder. At the time of the commencement of this Offering, our Common Stock Tokens will not yet be available. We expect that our Common Stock Tokens will be available within nine months of the qualification of this offering. If we make Common Stock Tokens available we will notify our Class A common stock holders by filing a Form 1-U, contacting the holders of our Class A common stock directly through our desktop and mobile apps, and posting notices on our desktop and mobile apps. The ownership and transfer of shares of our Class A common stock will be recorded in book-entry form by the Transfer Agent and, if we make Common Stock Tokens available, will also be recorded by the Transfer Agent on a blockchain network approved by our Transfer Agent, which will be an open-source, public, distributed ledger that is secured using cryptography, using the Common Stock Tokens. Common Stock Tokens are created, held and maintained by the Transfer Agent, and not by Exodus. Our Class A common stock and Common Stock Tokens are subject to the following risks.

If we are not able to make the Common Stock Tokens available to holders of our Class A common stock, we may incur significant damage to our reputation, which could have a material adverse effect on our business, financial condition and results of operations.

Our mission is to empower people to secure, manage and use their crypto assets, and we believe that crypto assets have the potential to profoundly change the way society does business, including the business of managing and using shares of common stock. Our intention with this offering is to have our Class A common stock represented by a digital token so that it is easy for holders of our Class A common stock to manage, store and use their Class A common stock. It is possible that we may not be able to, in a timely manner, create the technology to make the Common Stock Tokens available to holders of our Class A common stock, and it possible that even if we were able to make the Common Stock Tokens available, gas fees or other technological restrictions from the blockchain network that underlies the Common Stock Tokens may make the Common Stock Tokens too expensive or too complicated for holders of Class A common stock to use. If we are not able to make Common Stock Tokens available, or if the Common stock Tokens that we make available are too complicated or expensive for holders of our Class A common stock to use, we could be perceived as having failed to live up to our business mission and our reputation could be severely damaged. If our reputation was damaged as a result of this failure, it could have a material adverse effect on our business, financial condition and results of operations.

If we make the Common Stock Tokens available on the Ethereum Blockchain, the “gas fees” that must be paid to move the Common Stock Tokens on the blockchain may be so prohibitively expensive that the Common Stock Tokens may become unusable.

In order to transfer Common Stock Tokens on the Ethereum Blockchain, the Ethereum Blockchain requires the payment of network fees, sometimes referred to as “gas fees.” These fees are payments made by users of the Ethereum Blockchain to the Ethereum Blockchain miners to compensate the miners for the computing energy required to process and validate transactions on the Ethereum Blockchain. The gas fee is determined by the Ethereum miners, and the miners can choose to decline to process a transaction if the gas fee does not meet their specified threshold. As a result, the amount of the gas fee can vary, and can increase due to increased demand for the miners’ services in processing Ethereum transactions. In 2020, the average transaction gas fee for Ethereum ranged from \$0.07 to \$12.54, but in February 2021 the gas fee reached a high price of \$252.33. If we choose to make available Common Stock Tokens on the Ethereum Blockchain, any such gas fees will be paid by

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the person or entity that holds and is choosing to transfer Common Stock Tokens. As a result, the gas fees may become so expensive that holders of our Class A common stock may choose not to utilize our Common Stock Tokens, and we will have no ability to resolve or mitigate this issue.

Our Class A common stock initially will not be listed on any securities exchange or available to trade on any ATS, we do not intend to apply for the listing of our Class A common stock on any securities exchange, and we cannot provide any assurance that we will be successful in making our Class A common stock available to trade on an ATS.

Our Class A common stock will not be listed for trading on, and we have no intention to apply for listing on, any securities exchange or through any other national market system (“NMS”) trading platform. Further, our Class A common stock will not, at the commencement of this Offering, be available for trading on any specific trading system that is registered with the SEC as an alternative trading system (“ATS”). When we make Common Stock Tokens available, we intend to make our Class A common stock available for trading on several ATSs, including the tZERO ATS in the second quarter of 2021 and the Securitize ATS in the third quarter of 2021. However, although we are in discussions with several ATSs regarding the availability of our Class A common stock for trading following the commencement of this Offering, these discussions may not be successful, and there can be no assurance that our Class A common stock will become available for trading on an ATS in the near term or at all. It is not a condition to the closing of the Offering that the Common Stock Tokens be made available to holders of our Class A common stock or be available to trade on any ATS. The Common Stock Tokens may not be supported by all ATSs that may trade our Class A common stock. Holders of shares of our Class A common stock may transfer such shares through the book-entry transfer facilities of the Transfer Agent. If our Class A common stock is not made available for purchase on, or for trading through, an ATS, that would likely result in limited liquidity for our Class A common stock. Such limited liquidity may result in you not being able to resell your Class A common stock on a timely basis or at all.

Even if we are successful in making our Class A common stock available to trade on an ATS, this ATS may experience limited volume and liquidity.

In order to maintain the system of Class A common stock represented by Common Stock Tokens, our Class A common stock will be issued and available for purchase through our Transfer Agent. As discussed above, we are currently in discussions with an ATS to make our Class A common stock available for purchase on, and able to be traded through, an ATS, but have not yet reached a definitive agreement with any ATS. There can be no assurance that any definitive agreement with an ATS will be reached and our Class A common stock may not be able to be purchased or traded through an ATS.

If our Class A common stock is made available for purchase on, and can be traded through, an ATS, we expect that both the Transfer Agent and any ATS we may use may have the capability to support trades in our Class A common stock and transfers of our Common Stock Tokens. However, the Common Stock Tokens may not be supported by all ATSs that may trade our Class A common stock. Holders of shares of our Class A common stock may transfer such shares through the book-entry transfer facilities of the Transfer Agent even if there is no means by which to separately transfer the Common Stock Tokens. Any ATS on which shares of our Class A common stock are made available to trade may only provide limited liquidity for purchasers and sellers of our shares. Only subscribers who fulfill the Transfer Agent’s and such ATS’s requirements that enable the subscriber to create an account with the Transfer Agent and ATS may buy and sell our Class A common stock. In addition, because our Class A common stock is distinct from other securities that trade on an NMS, any ATS on which our Class A common stock may trade may experience limited trading volume due to a relatively small number of shares trading on the ATS. It is also likely that any ATS on which our shares are made available to trade will not have market makers, specialists or other institutions that stand ready to buy and sell our shares. Instead, it is likely that a seller will be able to sell shares only if there is a willing buyer interacting with the ATS at the same time the seller is, and only if that buyer wants to buy at the price and in the amount indicated by the seller. The same is true, in reverse, for a potential buyer. As a result, this novel trading system may have limited liquidity, resulting in a lower or higher price or greater volatility than would be the case with greater liquidity, and consequently our Class A common stock may be less liquid than traditional common stock that is not represented by Common Stock Tokens.

Although our Class A common stock may be sold in peer-to-peer transactions and the Common Stock Tokens transferred in accordance with such sale, the availability of counterparties to such transactions is limited

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to other shareholders or other eligible purchasers who have submitted to the Transfer Agent's AML/KYC procedures and have been whitelisted by the Transfer Agent. In addition, a current shareholder who wishes to transfer Common Stock Tokens must know the blockchain account address and/or identity of an approved potential counter party in order to engage in peer-to-peer transactions; neither we nor our Transfer Agent will publish such information. There may be relatively few investors to whom our Class A common stock and Common Stock Tokens can be transferred in a peer-to-peer transaction, and there may not be a mechanism to readily identify other holders interested in selling our Class A common stock or persons interested in purchasing our Class A common stock. Consequently, there may be limited to no liquidity in our Class A common stock. As a result, shareholders may not be able to sell their Class A common stock represented by Common Stock Tokens on a timely basis or at all.

Public data related to holders of our Common Stock Tokens and transaction history involving the Common Stock Tokens will, if we make Common Stock Tokens available, be viewable on the blockchain network we choose to use for the Common Stock Tokens. As the Common Stock Token represents shares of our Class A common stock, the ability to view the transaction history will serve as an ability to view reasonably accurate data regarding the holders of our Class A common stock and transactions in our Class A common stock. The information may not be fully accurate, however, as the official record of transactions in our Class A common stock is kept by the Transfer Agent using their book entry methods. Ownership and transfer of Common Stock Tokens held in an Exodus wallet is validated through the use of cryptography, in other words, by computers using algorithms to solve complex mathematical equations that prove a shareholder controls the account containing our Common Stock Tokens and wants a transaction to be sent. Authentication ensures that only the owner of shares of our Class A common stock can transfer the Common Stock Tokens in an account. There may be a limited number of eligible investors available to participate in such transactions.

Although records of peer-to-peer transactions in Common Stock Tokens will, if we make Common Stock Tokens available, be viewable on the blockchain network we choose to use for the Common Stock Tokens, record and beneficial ownership of our Class A common stock is reflected on the book-entry records of the Transfer Agent. The Transfer Agent is regulated by the SEC and the Transfer Agent's records constitute the official shareholder records of our Class A common stock and govern the record ownership of our Class A common stock in all circumstances.

The record of ownership of each Exodus wallet will be available to the general public and it may be possible for members of the public to determine the identity of the record holders of the accounts. Although the record of ownership included in the relevant blockchain is a non-controlling "courtesy copy" of the records maintained by the Transfer Agent, it will be made publicly available. The publicly available information will include the digital account address of each holder of record transacting in our Common Stock Tokens and the entire history of each Exodus wallet, but it will not include any names or similar identifiers. As a result, it may be possible for members of the public to determine the identity of the record holders of certain Exodus wallets based on the publicly available information in the blockchain copy, as well as other publicly available information, including, but not limited to, any ownership reports required to be filed with the SEC regarding the ownership of our Class A common stock or Common Stock Tokens. To the extent that the Transfer Agent's records and the duplicative records on the blockchain get out of synchronization, there could be a delay while the Transfer Agent corrects any such errors, and such errors may cause investors confusion with respect to their record holdings of our Class A common stock and Common Stock Tokens. This could adversely affect the liquidity of our Class A common stock.

The trading ledger showing trades in our Common Stock Tokens is publicly available, which may give rise to privacy concerns.

The distributed ledger used to record transfers of our Common Stock Tokens will be available to the public and stores the complete trading history from the issuance of the Common Stock Tokens. The Common Stock Tokens are represented by ledger balances and secured by cryptographic key pairs and only the public-key-derived account address is exposed to the public on the distributed ledger. The personal identity information necessary to associate a public key representing a given block of Common Stock Tokens with the owner of our Class A common stock will be maintained by the Transfer Agent in a proprietary ledger system that is not exposed to the public. As such, robust and transparent trading data, other than stockholder identity, with respect to our Common Stock Tokens will be publicly available. This may make it more difficult for stockholders to execute certain trading strategies using their Common Stock Tokens. If there are security breaches with respect

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to the proprietary ledger resulting in theft of the information necessary to link personal identity with public keys, the stolen information could be used to determine the affected stockholder's complete trading history in our Common Stock Tokens and, to the extent that data is an accurate reflection of transactions in our Class A common stock, the affected stockholder's complete trading history in our Class A common stock. Moreover, concerns over these issues may limit adoption of this novel trading system by a range of potential investors, reducing liquidity of our Class A common stock.

The private cryptographic keys representing our Common Stock Tokens could be stolen.

Our Common Stock Tokens are represented by ledger balances and secured by cryptographic key pairs. The associated private key is necessary to effect the transfer of a given block of our Common Stock Tokens and, as such, is meant to be kept private. The general public, however, is not yet accustomed to using secure cryptographic methods and managing private keys. To make the system more user-friendly, at least initially, any ATS trading our Class A common stock through the mechanism of transferring Common Stock Tokens, as well as any broker-dealers participating on that ATS is expected to hold the private keys on behalf of security holders. This will enable security holders to manage their stockholder account with a simple login and password, similar to traditional online brokerage accounts. As such, this system may be as vulnerable to cyber theft as a traditional online brokerage account would be. If the repository is hacked and private keys are stolen, the thief could transfer affected Common Stock Tokens to its own account thereby obtaining control over shares of our Class A common stock, which the thief could then sell. Each broker-dealer with access to an ATS trading our Class A common stock is expected to know its customers that have accounts set up for trading our Common Stock Tokens, but there can be no assurance that such theft would be detected in time to hold the culprit accountable. The risk of theft of private keys is heightened so long as a centralized repository holds the private keys on behalf of security holders, as the thief is able to target a single security system for breach of multiple accounts.

The number of securities traded on an ATS that supports the use of our Common Stock Tokens may be very small, making the market price more easily manipulated.

We may allow our Class A common stock to trade on an ATS that supports the use of our Common Stock Tokens. While such ATS may have adopted policies and procedures to limit manipulations of the trading price of our Class A common stock contrary to applicable law, and while the risk of market manipulation exists in connection with the trading of any securities, the risk may be greater for our Class A common stock because an ATS is a closed system that does not have the same breadth of market and liquidity as an NMS. There can be no assurance that the efforts of any ATS or any broker-dealers will be sufficient to prevent such market manipulation. For example, there can be no assurance that a security holder will not be able to manipulate the stock price by opening multiple accounts and trading among those accounts.

The payment mechanics for securities represented digitally are novel and untested.

We may allow our Class A common stock to trade on an ATS that supports the use of our Common Stock Tokens. While such ATS may have adopted payment mechanics that match the speed and irrevocability associated with immediate or nearly immediate transfers of crypto assets on a blockchain, such payment mechanics are novel and relatively untested. To the extent any ATS and applicable broker-dealer net capital regulations would permit broker-dealers to issue cash balances on the distributed ledger in amounts that exceed actual cash held by such broker-dealer in its customer accounts, there could be systemic risk to the system associated with payment defaults.

An ATS is not a stock exchange and has no listing requirements for issuers or for the securities traded.

There are no minimum price or other listing requirements for trading securities on an ATS as there are for trading securities on the Nasdaq Global Market or other NMS trading platforms. As a result, trades of our Class A common stock on an ATS may not be at prices that represent the national best bid or offer prices of securities that could be considered similar securities or that otherwise correspond to the prices of such securities on a national securities exchange.

We rely on a Transfer Agent to maintain the books and records regarding ownership of our Class A common stock.

Ownership of our Class A common stock is based upon the books and records of the Transfer Agent. Our agreement with the Transfer Agent can be terminated by either party on not less than days' notice before the expiration of the agreement with the Transfer Agent or any renewal thereof. If the Transfer Agent chooses to

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exercise its termination rights or otherwise ceases to operate as a transfer agent, we would seek to engage a successor transfer agent. We are unlikely to assume the role of transfer agent in such a situation, and no assurance can be given that we would be able to find a successor transfer agent. If we are unable to find a successor transfer agent, the trading market for our Class A common stock would be adversely affected and it may be difficult or impossible for us to take any actions in regard to our Class A common stock such as: pay dividends or liquidation preference or provide voting rights to the correct holders of record of our Class A common stock. Additionally, in the event that we choose to change to a different transfer agent, or if our Transfer Agent chooses to update the system that supports our Common Stock Tokens, including potentially transferring the Common Stock Tokens to a new blockchain, clerical or record errors could occur.

Transactions involving our Class A common stock may not be properly reflected on the blockchain.

A significant feature of our Class A common stock is that, while the records of (as our Transfer Agent) govern record ownership of our Class A common stock, for all record holders on the Transfer Agent's official and controlling records there is a "courtesy copy" of certain ownership records on the blockchain used by the Common Stock Tokens. Following the Transfer Agent's approval of any change in record ownership, the security position information relevant to a record holder's digital account address on the blockchain is updated consistent with changes to the Transfer Agent's official books and records. To the extent that the Transfer Agent's records and the "courtesy copy" get out of sync, there could be a delay while the Transfer Agent corrects any such inconsistencies, and such inconsistencies may cause investors confusion with respect to their record holdings of our Class A common stock, which could adversely affect the liquidity for, and market value of, our Class A common stock.

The distributed ledger technology used by the Transfer Agent is novel with respect to our Class A common stock and Common Stock Tokens and has been subject to limited testing and usage.

Our Class A common stock will be traded on a novel system used by our Transfer Agent specifically for trading securities represented by digital tokens and has been subject to only limited testing and usage. This novel trading system is subject to all the usual risks associated with the fact it has received only limited testing and usage, including:

- a rapidly-evolving regulatory landscape focused on digital tokens and, potentially, on the technology underlying distributed ledgers, which might include security, privacy or other regulatory concerns that could require the Transfer Agent to implement changes to its trading system for securities represented by digital tokens that could disrupt trading in our Class A common stock, or could shut down the Transfer Agent;
- the possibility of undiscovered technical flaws, including in the process by which system participants come to agreement on the state of the distributed ledger and the ownership of our Common Stock Tokens recorded on the ledger;
- the possibility that cryptographic security measures that authenticate transactions and the distributed ledger could be compromised, which could allow an attacker to alter the distributed ledger and the ownership of Common Stock Tokens recorded on the ledger, resulting in a corresponding loss of the holder's Class A common stock represented by the Common Stock Tokens;
- the possibility of breakdowns and trading halts as a result of undiscovered flaws in the Transfer Agent that could prevent trades for a period of time;
- the possibility that changes to policies of the ledger limit the ability to withdraw and deposit fiat currency;
- the possibility that new technologies or services inhibit access to the blockchain network used by the Common Stock Tokens;
- the possibility that the Transfer Agent does not competently manage transfers, potentially disrupting transfers of Common Stock Tokens;
- the possibility that other participants in the ledger could collude to manipulate the share price or limit liquidity in our Class A common stock which could restrict your ability to divest your holdings of our Class A common stock; and

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- the possibility that an investor's private key is lost or stolen and Exodus is unable to verify the loss or theft could result in irreversible client losses.

Technology on which the Transfer Agent and any ATS may rely for their operations may not function properly.

The technology on which the Transfer Agent and any ATS relies, including any communications between such ATS and the Transfer Agent, may not function properly because of internal problems, including a failure relating to API integrations, or as a result of cyber-attacks or external security breaches. Any such malfunction may adversely affect the ability of holders with a brokerage account at an ATS-executing broker-dealer to execute trades of our Class A common stock on such ATS, or the ability of our Transfer Agent to transfer our Class A common stock. Moreover, since trading in our Class A common stock has been limited, any ATS order matching system may not function properly in cases of increased trading volume. If the technology used by the Transfer Agent or any ATS we may use does not work as anticipated, trading of our Class A common stock could be limited or even suspended.

The potential application of U.S. laws regarding virtual currencies and money transmission to the Transfer Agent's or any ATS's use of a blockchain network is unclear.

The non-controlling blockchain-based "courtesy copy" of record ownership uses technology that relies on and uses a blockchain network. Although the Transfer Agent or any ATS we may use maintain certain licenses in connection with virtual currency applications, none of these parties are licensed under the virtual currency or money transmission regulations of any state in the United States or registered with the U.S. Department of the Treasury Financial Crimes Enforcement Network ("FinCEN"). If any regulatory authority were to assert that additional licensing or registration was required by the Transfer Agent or any ATS, it could affect the operations or viability of the Transfer Agent or any ATS, and could adversely affect the availability of trading venues for our Class A common stock. This in turn would have a material adverse effect on the liquidity of our Class A common stock and the holders' ability to trade such securities.

Risks Related to this Offering and Ownership of Our Common Stock

There is no guarantee that our Class A common stock will hold its value or increase in value, and you may lose the amount of your investment in our Class A common stock in whole or in part.

Any investment in our Class A common stock is highly speculative, and any return on an investment in our Class A common stock is contingent upon numerous circumstances, many of which (including legal and regulatory conditions) are beyond our control. There is no assurance that purchasers will realize any return on their investments or that their entire investment will not be lost. For this reason, each purchaser should carefully read this offering circular and should consult with his or her own attorney, financial and tax advisors prior to making any investment decision with respect to our Class A common stock. Investors should only make an investment in our Class A common stock if they are prepared to lose the entirety of their investment.

The offering price of our Class A common stock has been determined independently by us and should not be considered as an indication of our present or future value.

The offering price of our Class A common stock has been determined by our board of directors based on estimates of the price that purchasers would be willing to pay considering our business, prospects, capital structure, the experience of our officers and directors and the market conditions for the sale of equity securities in similar companies. You should not consider the offering price for our shares of Class A common stock as an indication of our present or future value.

An active trading market for our Class A common stock may not develop or be sustained following this offering.

We do not intend to apply for the listing of our Class A common stock on any securities exchange. We intend to make our Class A common stock available for trading on several ATSs, including the tZERO ATS. However, although we are in discussions with several ATSs regarding the availability of our Class A common stock for trading, these discussions may not be successful, and there can be no assurance that our Class A common stock will become available for trading on an ATS in the near term or at all. Prior to this offering, there

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has been no prior trading market for our Class A common stock. We cannot assure you that an active trading market for our Class A common stock will develop on an ATS or elsewhere or, if developed, that any market will be sustained. The offering price of our Class A common stock will not necessarily reflect the price at which investors in the market will be willing to buy and sell shares of our Class A common stock following this offering.

We do not expect there to be any market makers to develop a trading market in our Class A common stock.

Most securities that are publicly traded in the United States have one or more broker-dealers acting as “market makers” for the security. A market maker is a firm that stands ready to buy and sell the security on a regular and continuous basis at publicly quoted prices. We do not currently anticipate that our Class A common stock will have any market makers, which could contribute to a lack of liquidity in our Class A common stock and could have a material adverse effect on holders’ ability to trade our Class A common stock.

If you purchase our Class A common stock in this offering, you will incur immediate and substantial dilution.

The offering price of our Class A common stock is substantially higher than the pro forma as adjusted net tangible book value per share of our Class A common stock. Investors purchasing shares of our Class A common stock in this offering will pay a price per share that substantially exceeds the book value of our tangible assets after subtracting our liabilities. As a result, investors purchasing Class A common stock in this offering will incur immediate dilution of \$24.63 per share, based on the initial offering price of \$27.42 per share. This dilution is due in large part to the substantially lower price paid by our stockholders who purchased shares prior to this offering as compared to the price offered to the public in this offering, and any previous exercise of stock options granted to our service providers. In addition, as of December 31, 2020, options to purchase 2,737,008 shares of our Class B common stock, with a weighted-average exercise price of \$2.39 per share, were outstanding. The exercise of any of these options would result in additional dilution. As a result of the dilution to investors purchasing shares in this offering, investors may receive less than the purchase price paid in this offering, if anything, in the event of our liquidation. For more information, see the section titled “Dilution.”

If we elect to repurchase shares of our Class A common stock, it could have a material adverse effect on the liquidity in, and trading prices of, our Class A common stock.

We do not currently intend to repurchase any shares of our Class A common stock after they are issued. However, we could do so, subject to applicable law and regulations regarding issuer repurchases of their capital stock. If we do so, we would do so only at prices lower than the prices at which we are entitled to redeem the shares. If we repurchase shares of our Class A common stock, the trading market for our Class A common stock could become less liquid, which would likely cause the trading prices of our Class A common stock to decrease, which would give us an economic incentive to repurchase additional shares. The occurrence of the foregoing could have a material adverse effect on the liquidity in, and trading prices of, our Class A common stock.

We are offering shares of our Class A common stock that are digitally represented by a Common Stock Token that is created and supported by the Transfer Agent. The Common Stock Tokens are not common stock, and we may decide to change our Transfer Agent to a new entity that does not support the Common Stock Token or discontinue the Common Stock Token, and either of these decisions could have a negative impact on the price of our Class A common stock.

Our Class A common stock exists solely as book-entry shares within the records of the Transfer Agent. Shares of our Class A common stock will not have traditional share certificates. We intend that each share of our Class A common stock will be represented by a digital Common Stock Token that will be viewed through the Exodus Platform. At the time of the commencement of this Offering, our Common Stock Tokens will not yet be available. We expect that our Common Stock Tokens will be available within nine months of the qualification of this offering. If we make Common Stock Tokens available we will notify our Class A common stock holders by filing a Form 1-U, contacting the holders of our Class A common stock directly through our desktop and mobile apps, and posting notices on our desktop and mobile apps. Common Stock Tokens are not shares of common stock; rather, they are digital representations of the number of shares purchased and held by a given stockholder. This digital representation of the number of shares purchased and held (the “digital stock record”) is a representation of how many shares of Class A common stock are owned by an individual, and a holder can reasonably expect that the digital stock record is correct, but the digital stock records are not the actual shares.

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Should we make Common Stock Tokens available, we reserve the right to discontinue the usage of Common Stock Tokens and revert to traditional or other methods of share certification. Should we choose to discontinue the usage of Common Stock Tokens and revert to traditional or other methods of share certification, this decision would have no effect on the ability of holders of our Class A common stock to trade their Class A common stock on an ATS, or through other means. The ownership and transfer of shares of our Class A common stock will be recorded in book-entry form by the Transfer Agent and, if we make Common Stock Tokens available, will also be recorded by the Transfer Agent on a blockchain network approved by our Transfer Agent using the Common Stock Tokens. Although records of peer-to-peer transfers of Common Stock Tokens would be viewable on a blockchain network, record and beneficial ownership of our Class A common stock is reflected on the book-entry records of the Transfer Agent. The Transfer Agent is regulated by the SEC and the Transfer Agent's records constitute the official shareholder records for our Class A common stock and govern the record ownership of our Class A common stock in all circumstances.

Common Stock Tokens are "Securitize DS Protocol" digital tokens that are transferrable between approved accounts on the Exodus Platform in peer-to-peer transactions on a blockchain network approved by the Transfer Agent. Common Stock Tokens are created, held, distributed, maintained and deleted by the Transfer Agent, and not by Exodus. The Transfer Agent uses the Securitize DS Standard (which can interface with various blockchain networks' programming standards) to program any relevant compliance-related transfer restrictions that would traditionally have been printed on a paper stock certificate onto "smart contracts" (computer programs written to the relevant blockchain), which allows the smart contract to impose the relevant conditions on the transfer of the Common Stock Tokens. One example of such coding is a restriction on to whom Common Stock Tokens may be transferred. Common Stock Tokens cannot be created or deleted by any entity other than the Transfer Agent.

We retain the right to select and change our transfer agent. We may choose to change our transfer agent, and if we were to do so, our current Transfer Agent would directly provide all stockholder data to the new transfer agent. As we do not retain any of our stockholders' personal information in their capacity as stockholders, we are not able to directly transfer this information. It is possible that if we chose to change our transfer agent, there may be unforeseen complications in the process of changing our transfer agent. This could result in, among other issues, the loss of shareholder data, a delay in the recording of shareholder activities in regard to their shares or a loss or deletion of all Common Stock Tokens. In addition, it is possible that we might choose to change our Transfer Agent to a transfer agent that does not support the Common Stock Tokens. This might result in the full replacement of Common Stock Tokens with another form of digital token, or it may result in the elimination of all forms of digital representations of our Class A common stock.

We also retain the right to list our Class A common stock on different trading platforms, which may or may not support our Common Stock Tokens. Should we choose to list on a different trading platform, our current Transfer Agent would directly provide all stockholder data to the relevant transfer agent for the new platform. If the new platform did not support our Common Stock Tokens or other forms of digital representations of our Class A common stock, we may no longer be able to maintain a digital representation of our Class A common stock.

We currently do not intend, but may choose in the future, to discontinue the Common Stock Token and instead use traditional stock certificates or other forms of certification for our Class A common stock. Should we choose to make this change, any Common Stock Tokens held in a stockholder's Exodus wallet would no longer represent the number of common shares held by such stockholder. In addition, any transition to traditional certificated or other form of the representation of our Class A common stock may make our Class A common stock less appealing to our stockholders and potential purchasers, and as a result, the demand for our Class A common stock may decline, which may result in a decrease in the price of our Class A common stock.

Any negative effect of the items discussed above could result in a material adverse effect on the price of our Class A common stock.

We have broad discretion over the use of net proceeds from this offering and we may not use them effectively.

We will have broad discretion in the application of the net proceeds to us from this offering, including for any of the purposes described in the section titled "Use of Proceeds," and you will not have the opportunity as part of your investment decision to assess whether the net proceeds are being used appropriately. Because of the number and variability of factors that will determine our use of the net proceeds from this offering, their ultimate use may vary substantially from their currently intended use. If we do not use the net proceeds that we receive in

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this offering effectively, our business, financial condition, operating results, and prospects could be harmed, and the market price of our Class A common stock could decline. Pending their use, we may invest the net proceeds from this offering in crypto assets, short-term, investment-grade, interest-bearing securities, such as money market accounts, certificates of deposit, commercial paper, and guaranteed obligations of the U.S. government that may not generate a high yield for our stockholders.

We do not intend to pay dividends for the foreseeable future and, as a result, your ability to achieve a return on your investment will depend on appreciation in the price of our Class A common stock.

We have never declared or paid any cash dividends on our capital stock, and we do not intend to pay any cash dividends in the foreseeable future. Any determination to pay dividends in the future will be at the discretion of our board of directors. Accordingly, investors must rely on sales of their Class A common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investments.

We may not be subject to ongoing reporting requirements.

Following the conclusion of our offering of Class A common stock under Regulation A, we may be eligible to file an exit report to suspend or terminate our ongoing reporting obligations. If we become eligible, and if we make this election in the future, we may choose to not file annual reports, semiannual reports, current reports, consolidated financial statements and audited consolidated financial statements. As a result, holders of our Class A common stock would receive less information about the current status of our company, which could adversely affect their ability to accurately gauge the value of our Class A common stock for purposes of determining whether to engage in transactions involving our Class A common stock.

Your subscription will be held in escrow by Exodus until closing of this offering for up to one year. If we reject your subscription for any reason, we will not have any obligation to you except to return your subscription payment in the form of payment that was used by the participant on the original payment date.

All of the Bitcoin, Ether and USDC proceeds for the sale of our Class A common stock will be held by Exodus in a separate wallet designated as the “crypto escrow wallet”, until the closing of this offering, which will occur upon the earliest of (1) December 31, 2021, (2) the date on which all 2,733,229 shares of our Class A common stock subject to this offering have been sold, (3) the date which is one year after this offering is qualified by the SEC, or (4) the date on which this offering is earlier terminated by us in our sole discretion. We will not use a third-party escrow agent in connection with this Offering.

We are able to receive Bitcoin, Ether or USDC into the crypto escrow wallet as payment for our Class A common stock. The U.S. dollar conversion value of the crypto assets received as payment will be recorded at the time of payment. We will not convert the crypto asset payments into U.S. dollars at any time during the escrow period. We will not make any adjustments to the U.S. dollar conversion amounts to reflect changes in the value of such crypto assets during the escrow period.

If we reject your subscription for any reason, this offering terminates or expires for any reason, our sole obligation to participants in this offering will be to return to such participants, without interest or penalty, as soon as practicable, such participants’ subscription payments in the amount and form of payment that was made on the original date of payment. Payment will be returned in the same crypto asset that it was made in. Consequently, for participants who utilize crypto assets to purchase Class A common stock, the amount and type of crypto assets returned to such participants will be the same amount and same type of crypto asset used to make the payment on the original date of payment. A participant will not be permitted to receive a return payment in any form of payment different than the one the participant used on the original date of payment.

This offering is not being made through a broker-dealer or other financial intermediary, and as a result you may not have all the protections typically afforded to investors in an underwritten public offering.

We and the selling stockholders are offering shares of our Class A common stock directly to the public, and neither we nor the selling stockholders intend to offer such shares through a broker-dealer or other financial intermediary. Consequently, investors will not have the benefit of an independent third-party review of the terms of this offering, our performance or the value of the Class A common stock being offered by us and the selling stockholders, and no third-party has conducted a due diligence investigation into us in connection with this offering. Furthermore, we are not a “broker” or a “dealer” under a federal or state law, and consequently we are not subject to the regulatory requirements to which a broker-dealer in an underwritten public offering would be subject.

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In order to facilitate the offer and sale of Class A common stock by our selling stockholders, we have entered into agreements with the selling stockholders to sell their shares on their behalf, and such agreements may cause us to be deemed a “statutory underwriter” under Section 2(a)(11) of the Securities Act.

The shares of Class A common stock offered pursuant to this offering circular will be offered by us and the selling stockholders. Neither we nor the selling stockholders intend to offer shares through a broker-dealer or other financial intermediary. In order to facilitate the offer and sale of the Class A common stock, we have entered into a custody agreement with each selling stockholder, and each selling stockholder has granted us an irrevocable power of attorney, so as to enable us to sell the relevant selling stockholder’s shares on their behalf. These actions may result in us being deemed a “statutory underwriter” under Section 2(a)(11) of the Securities Act. Section 2(a)(11) of the Securities Act provides that an “underwriter” is as “any person who has purchased from an issuer with a view to, or offers or sells for an issuer in connection with, the distribution of any security, or participates, or has a direct or indirect participation in any such undertaking, or participates or has a participation in the direct or indirect underwriting of any such undertaking.” A statutory underwriter is subject to the prospectus delivery and liability provisions of the Securities Act and may be deemed to be conducting broker-dealer like activities that could in certain circumstances subject us to additional regulatory obligations. If we were subject to additional regulatory obligations, those regulatory obligations could have a material adverse effect on our business, financial condition, and results of operations.

Our amended and restated bylaws provide that the Court of Chancery of the State of Delaware and the federal district courts of the United States of America will be exclusive forums for substantially all disputes between us and our stockholders, which could limit our stockholders ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our amended and restated bylaws provide that, to the fullest extent permitted by law, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for any derivative action or proceeding brought on our behalf; any action asserting a breach of fiduciary duty; any action asserting a claim against us arising pursuant to the DGCL, our amended and restated certificate of incorporation or amended and restated bylaws; or any action asserting a claim against us that is governed by the internal affairs doctrine. This exclusive forum provision does not apply to claims as to which the Court of Chancery of the State of Delaware determines that there is an indispensable party not subject to the jurisdiction of such court (and the indispensable party does not consent to the personal jurisdiction of such court within 10 days following such determination), claims that are vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery of the State of Delaware, or claims for which the Court of Chancery of the State of Delaware does not have subject matter jurisdiction. For instance, the provision does not preclude the filing of claims brought to enforce any liability or duty created by the Exchange Act or Securities Act of 1933 (the “**Securities Act**”) or the rules and regulations thereunder in federal court. In addition, our amended and restated bylaws provide that the federal district courts of the United States shall be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act.

The enforceability of similar exclusive federal forum provisions in other companies’ organizational documents has been challenged in legal proceedings, and while the Delaware Supreme Court has ruled that this type of exclusive federal forum provision is facially valid under Delaware law, there is uncertainty as to whether other courts would enforce such provisions and that investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder.

These exclusive forum provisions may limit a stockholder’s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and other employees. Alternatively, if a court were to find either exclusive forum provision in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could have a material adverse effect on our business, financial condition, and results of operations.

Future sales of our Class A common stock could cause our stock price to fall.

Our stock price could decline as a result of sales of a large number of shares of our Class A or Class B common stock after this offering or the perception that these sales could occur. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity or equity-linked securities in the future at a time and at a price that we deem appropriate.

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As of December 31, 2020, on an actual basis, we had no record holders of our Class A common stock and five record holders of our Class B common stock. Upon completion of this Offering, based on our shares outstanding as of December 31, 2020 on a pro forma as adjusted basis, 2,733,229 shares of our Class A common stock, 22,399,557 shares of our Class B common stock and options to purchase an aggregate of 2,440,011 shares of our Class B common stock will be outstanding.

All of the shares of Class A common stock expected to be sold in this Offering will be freely tradable without restriction or further registration under the Securities Act, except for shares held by our “affiliates,” as that term is defined in Rule 144 under the Securities Act. The remaining outstanding shares of our common stock and shares issuable upon the conversion or exercise of outstanding securities will be deemed “restricted securities” as that term is defined under Rule 144. Restricted securities may be sold in the public market only if their offer and sale is registered under the Securities Act or if the offer and sale of those securities qualify for an exemption from registration, including the exemption provided by Rule 144 under the Securities Act. Future sales of our common stock may also be subject to applicable state securities or “blue sky” laws. For more information, see “*Description of Capital Stock—Shares Eligible for Future Sale.*”

In addition, in the future, we may issue additional shares of Class A common stock or other equity or debt securities convertible into Class A common stock in connection with a financing, acquisition, commercial relationship, litigation settlement, employee arrangements or otherwise. Any such issuance could result in substantial dilution to our existing stockholders and could cause our stock price to decline.

The dual class structure of our common stock has the effect of concentrating voting control with those stockholders who held our capital stock prior to the closing of this offering, including our executive officers, employees and directors and their affiliates, which will limit your ability to influence the outcome of important transactions, including a change in control.

Our authorized common stock is divided into two series, denominated as “Class A common stock” and “Class B common stock.” Each share of Class A common stock is entitled to one vote per share. Each share of Class B common stock is entitled to ten votes per share. Holders of Class A common stock and Class B common stock will vote together as a single class on all matters (including the election of directors) submitted to a vote of stockholders, unless otherwise required by law or our amended and restated certificate of incorporation.

After this offering, our existing stockholders, all of whom hold shares of Class B common stock, will collectively beneficially own shares representing approximately 99% of the voting power of our outstanding capital stock following the completion of this offering. Jon Paul Richardson and Daniel Castagnoli, each an executive officer and director of the Company, will control approximately 82.7% of the voting power of our outstanding capital stock. Because of our dual class structure, we anticipate that, for the foreseeable future, these individuals will continue to be able to control all matters submitted to our stockholders for approval, including the election and removal of directors.

These holders of Class B common stock may also have interests that differ from yours and may vote in a way with which you disagree and which may be adverse to your interests. This concentrated control may have the effect of delaying, preventing or deterring a change in control of our company, could deprive our stockholders of an opportunity to receive a premium for their capital stock as part of a sale of our company and might ultimately affect the market price of our Class A common stock.

Each share of Class B common stock is convertible at any time at the option of the holder into one share of Class A common stock. In addition, each share of Class B common stock will convert automatically into one share of Class A common stock upon any transfer, whether or not for value, except for certain transfers described in our amended and restated certificate of incorporation, including, without limitation, transfers for tax and estate planning purposes, so long as the transferring holder of Class B common stock continues to hold exclusive voting and dispositive power with respect to the shares transferred. All shares of Class B common stock will convert automatically into shares of Class A common stock upon the date on which the Class B common stock ceases to represent at least 10% of the total voting power of our outstanding common stock. The conversion of shares of Class B common stock into shares of Class A common stock will have the effect, over time, of increasing the relative voting power of those holders of Class B common stock who retain their shares in the long term, which may include our executive officers and directors and their affiliates. For a description of the dual class structure, see the section on page [100](#) of this offering circular captioned “*Description of Capital Stock.*”

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Anti-takeover provisions in our charter documents could make an acquisition of us difficult, limit attempts by our stockholders to replace or remove our current management and adversely affect our stock price.

Certain provisions of our amended and restated certificate of incorporation and our amended and restated bylaws could have the effect of delaying, deferring, or discouraging another person from acquiring control of our company. These provisions, which are summarized below, are expected to discourage certain types of coercive takeover practices and inadequate takeover bids and encourage persons seeking to acquire control of our company to first negotiate with our board of directors. We believe that the benefits of increased protection of our potential ability to negotiate with an unfriendly or unsolicited acquirer outweigh the disadvantages of discouraging a proposal to acquire us because negotiation of these proposals could result in an improvement of their terms.

Our amended and restated certificate of incorporation and our amended and restated bylaws include a number of provisions that may have the effect of deterring hostile takeovers, or delaying or preventing changes in control of our management team or changes in our board of directors or our governance or related policies. These provisions:

- eliminate the ability of our stockholders to call special meetings of our stockholders;
- establish advance notice procedures for stockholders seeking to bring business before our meetings of stockholders or to nominate candidates for election as directors at our meetings of stockholders;
- do not provide for cumulative voting;
- authorize the issuance up to 1,000,000 shares of “blank check” preferred stock by our board of directors without further action by the stockholders;
- reflect the dual class structure for our common stock; and
- restrict the forum for certain litigation against us to certain federal or Delaware state courts.

In addition, our amended and restated certificate of incorporation and our amended and restated bylaws include a number of provisions that become effective only after the date on which the Class B common stock ceases to represent at least 50% of the total voting power of our outstanding capital stock (the “**Class B Threshold Date**”). These provisions may also have the effect of deterring hostile takeovers, or delaying or preventing changes in control of our management team or changes in our board of directors or our governance or policy, including the following:

- permit the board of directors to establish the number of directors and fill any vacancies and newly created directorships;
- establish a board of directors classified into three classes of directors;
- require cause to remove a director;
- require super-majority voting to amend some provisions in our amended and restated certificate of incorporation and amended and restated bylaws;
- provide that our amended and restated bylaws may be amended by a simple majority vote of our board of directors;
- prohibit stockholder action by written consent, which requires all stockholder actions to be taken at a meeting of our stockholders;

Any provision of our amended and restated certificate of incorporation or amended and restated bylaws that will be in effect on the completion of this offering that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our Class A common stock, and could also affect the price that some investors are willing to pay for our Class A common stock. For information regarding these and other provisions, see the section on page [102](#) of this offering circular captioned “*Description of Capital Stock—Anti-Takeover Provisions.*”

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We are not subject to the provisions of Section 203 of the Delaware General Corporation Law, which could negatively affect your investment.

We elected in our amended and restated certificate of incorporation to not be subject to the provisions of Section 203 of the Delaware General Corporation Law (“**Section 203**”). In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a “business combination” with an “interested stockholder” for a period of three years after the date of the transaction in which the person became an interested stockholder, unless the business combination is approved in a prescribed manner. A “business combination” includes a merger, asset sale or other transaction resulting in a financial benefit to the interested stockholder. An “interested stockholder” is a person who, together with affiliates and associates, owns (or, in certain cases, within three years prior, did own) 15% or more of the corporation’s voting stock. Our decision not to be subject to Section 203 will allow, for example, our founders, Jon Paul Richardson and Daniel Castagnoli, who together held an aggregate of approximately 82.7% of the voting power of our Class A and Class B common stock as of December 31, 2020, after giving effect to the conversion of \$0.5 million aggregate principal amount of SAFEs into 2,904,498 shares of Class B common stock in February 2021 and the Forward Stock Split, to transfer shares in excess of 15% of our voting stock to a third-party free of the restrictions imposed by Section 203. This may make us more vulnerable to takeovers that are completed without the approval of our board of directors and/or without giving us the ability to prohibit or delay such takeovers as effectively. For more information, see the section on page [102](#) captioned “*Description of Capital Stock—Section 203 of the DGCL.*”

We could be subject to securities class action litigation.

In the past, securities class action litigation has often been brought against a company following a decline in the market price of its securities. This risk is especially relevant for us, because technology companies have experienced significant stock price volatility in recent years. If we face such litigation, it could result in substantial costs and a diversion of management’s attention and resources, which could harm our business.

In making your investment decision, you should not rely on information in public media that is published by third parties. You should rely only on statements made in this offering statement in determining whether to purchase our Class A common stock.

You should carefully evaluate all of the information in this offering circular. We have in the past received, and may continue to receive, media coverage, including coverage that is not directly attributable to statements made by our officers and employees. We cannot confirm the accuracy of this coverage. You should rely only on the information contained in this offering circular in determining whether to purchase our Class A common stock.

If securities or industry analysts do not publish research or reports about our Class A common stock or publish negative reports or recommendations about our Class A common stock, this may adversely impact the price and liquidity of our Class A common stock.

The trading market for our Class A common stock may depend, to some extent, on the research and reports that securities or industry analysts publish about us, our business, our market or our competitors. We do not have any control over these analysts. If one or more of the analysts who may in the future cover us downgrade our Class A common stock or change their opinion of our Class A common stock, the price of our securities would likely decline. If one or more of these analysts cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause the price and trading volume of our Class A common stock to decline.

We are offering our Class A common stock pursuant to recent amendments to Regulation A promulgated pursuant to the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, and we cannot be certain if the reduced disclosure requirements applicable to Tier 2 issuers will make our Class A common stock less attractive to purchasers as compared to a traditional public offering.

As a Tier 2 issuer, we will be subject to scaled disclosure and reporting requirements, which may make our Class A common stock less attractive to purchasers as compared to a traditional public offering which would have relatively enhanced disclosure and more frequent financial reporting. In addition, given the relative lack of regulatory precedence regarding the recent amendments to Regulation A, there is a significant amount of regulatory uncertainty in regard to how the SEC or the individual state securities regulators will regulate both the offer and sale of our securities, as well as any ongoing compliance that we may be subject to. If our scaled

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disclosure and reporting requirements, or regulatory uncertainty regarding Regulation A, reduce the attractiveness of our Class A common stock, we may be unable to raise the necessary funds to develop and grow the Exodus Platform, which could severely affect the value of our Class A common stock.

Holders of Exodus Class A common stock are responsible for ensuring that they comply with federal and state securities regulations in regard to making any secondary sales.

Holders of shares of our Class A common stock are responsible for ensuring that any secondary sale of our Class A common stock is performed in accordance with applicable federal and state securities regulations. Our Class A common stock may not be offered or sold in the U.S. absent registration or an applicable exemption from the registration requirements of the Securities Act and applicable state “blue sky laws” or other jurisdictions’ securities laws. Purchasers of our Class A common stock who attempt to sell or transfer our Class A common stock on the secondary market may be deemed to be distributors or brokers under federal or state securities laws, and should ensure compliance with such laws when engaging in secondary sales or transfers.

Risks Related to Regulation

The regulatory regime governing blockchain technologies, cryptocurrencies, tokens and token offerings such as the Exodus Platform and the Common Stock Tokens is uncertain, and new regulations or policies may materially adversely affect the development and utilization of the Exodus Platform.

Regulation of tokens, token offerings, cryptocurrencies, blockchain technologies, and cryptocurrency exchanges currently is undeveloped and likely to rapidly evolve. The regulatory landscape varies significantly among international, federal, state and local jurisdictions and is subject to significant uncertainty. Various legislative and executive bodies in the U.S. and in other countries may in the future, adopt laws, regulations, guidance, or other actions, which may severely impact the development and growth of the Exodus Platform. Failure by us or certain users of the Exodus Platform to comply with any laws, rules and regulations, some of which may not exist yet or are subject to interpretation and may be subject to change, could result in a variety of adverse consequences, including civil penalties and fines.

As blockchain networks and blockchain assets have grown in popularity and in market size, federal and state agencies have taken an interest in, and in some cases begun to regulate, their use and operation. In the case of virtual currencies, state regulators like the New York Department of Financial Services have created new regulatory frameworks. Others, as in Texas, have published guidance on how their existing regulatory regimes apply to virtual currencies. Some states, like New Hampshire, North Carolina, and Washington, have amended their state’s statutes to include virtual currencies into existing licensing regimes. Treatment of virtual currencies continues to evolve under federal law as well. The Department of the Treasury, the SEC, and the Commodity Futures Trading Commission (“CFTC”), for example, have published guidance on the treatment of virtual currencies. The Internal Revenue Service (“IRS”) released guidance treating virtual currency as property that is not currency for U.S. federal income tax purposes, although there is no indication yet whether other courts or federal or state regulators will follow this classification. Both federal and state agencies have instituted enforcement actions against those violating their interpretation of existing laws.

The regulation of non-currency use of blockchain assets is also uncertain. The CFTC has publicly taken the position that certain blockchain assets are commodities, and the SEC has issued a public report stating federal securities laws require treating some blockchain assets as securities. To the extent that a domestic government or quasi-governmental agency exerts regulatory authority over a blockchain network or asset, we and the Exodus Platform may be materially and adversely affected.

Blockchain networks also face an uncertain regulatory landscape in many foreign jurisdictions such as the European Union, China and Russia. Various foreign jurisdictions may, in the near future, adopt laws, regulations or directives that affect the Exodus Platform. Any such laws, regulations or directives may conflict with those of the U.S. or may directly and negatively impact our business. The effect of any future regulatory change is impossible to predict, but such change could be substantial and materially adverse to our development and growth and the development and utilization of the Exodus Platform.

New laws and regulations or interpretations of existing laws and regulations, in the U.S. and other jurisdictions, are required in order for robust trading platforms and exchanges for securities that are represented

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by digital tokens like our Common Stock Tokens to trade among retail investors. This will affect the liquidity of our Class A common stock, the ability to access marketplaces or exchanges on which to trade the Common Stock tokens, and the structure, rights and transferability of the Common Stock Tokens.

In addition, non-governmental parties may bring private legal actions against us or our affiliates, either individually or as a class, which may result in curtailment of, or inability to operate, the Exodus Platform as intended, or judgments, settlements, fines or penalties against us or our affiliates.

To the extent licenses or other authorizations are required in one or more jurisdictions in which we operate or will operate, there is no guarantee that we will be granted such licenses or authorizations. We may need to change our business model to comply with these licensing and/or registration requirements (or any other legal or regulatory requirements) in order to avoid violating applicable laws or regulations or because of the cost of such compliance. Uncertainty in how the legal and regulatory environment will develop could negatively impact our development and growth and the development and utilization of the Exodus Platform.

We operate an interface that allows our customers to connect to exchanges on which the customers can trade crypto assets, and we receive compensation from these exchanges. Certain crypto assets traded using access provided by our platform could be viewed as “securities” for purposes of state or federal regulations, and regulators might determine that the payments we receive from the exchanges would cause us to be in violation of federal and state securities laws, which would negatively affect our business, financial condition and results of operation.

Offerings of securities in the United States are required under the Securities Act to either register with the SEC or to rely on an exemption from federal registration. Offerings of securities in the United States may also be required to register with applicable state regulators as required by state law. Should an offering of securities in the United States occur and the issuer of the securities has not registered the offering and has not performed the offering in reliance on an exemption from federal registration, under the laws of the United States such a security offering would be deemed illegal. Under the Securities Act, the definition of “security” is very broad and includes the concept of an “investment contract.” An investment contract is any financial transaction that fits within the “Howey test,” a four-factor test based on an analysis of the nature of the transaction and relevant caselaw. Certain crypto assets could fall into the *Howey* definition.

Our primary business is the operation of an interface, known as the Exchange Aggregator, that connects our customers to third-party exchanges on which our customers can exchange on crypto asset for another crypto asset. We do not engage in any trading of crypto assets on our platform; however, we receive compensation from the exchanges that have connected to our Exchange Aggregator. We have engaged in a review process for the crypto assets available to be traded through the Exchange Aggregator on our platform, and based on that review process, we have created two separate fee structures for the exchanges connected to the Exchange Aggregator. We charge a monthly flat fee to exchanges on which U.S. persons trade tokens. For exchanges that do not deal with U.S. persons, or on which U.S. persons do not have the ability to trade tokens that could be considered securities, we may charge a percentage of assets exchanged. We may also charge exchanges on which U.S. persons trade tokens a percentage of assets exchanged for certain digital assets that we have determined are not securities. It is possible, however, that the SEC or another regulator could disagree with our position regarding which tokens are not securities. If that were the case, it is possible that our receipt of compensation based on the percentage of crypto assets exchanged could be deemed to be the receipt of transaction-based fees for facilitating transactions in unregistered securities, and that we could be found to be facilitating or engaged ourselves and in violation of the federal and state securities laws. Any of these developments could have a negative effect on our business, financial condition and results of operations.

We do not believe we have an obligation to register as a transfer agent under the Exchange Act, but a regulator may disagree.

It is possible that we could be viewed as a “transfer agent” for purposes of federal or state law. Under the Exchange Act, a transfer agent is a person who engages, with respect to securities registered under Section 12 of the Exchange Act, in (a) countersigning issued securities, (b) monitoring issued securities, with the goal of preventing unauthorized issuances, (c) registering transfers of issued securities, (d) exchanging or converting issued securities, or (e) transferring record ownership of securities by bookkeeping entry without physical issuance of securities certificates. Transfer agents are typically required to register with the SEC under the Exchange Act.

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Because our platform allows our customers to connect through APIs to exchanges that permit the transfer of crypto assets, it is possible that if any crypto assets traded through the connected exchanges were deemed to be securities, our activity as a platform connecting customers to those exchanges could result in the SEC or another regulator determining that we have acted as a transfer agent. We believe that the provision of a platform that provides a connection to an exchange through an API does not result in the entity providing the platform being deemed to be a transfer agent; however, it is possible that the SEC or another regulator could disagree with our position. If that were the case, we could be forced to register as a transfer agent and comply with applicable law, which could lead to us experiencing significant costs and could force us to change or cease our operations. Any of these developments could have a negative effect on our business, financial condition and results of operations.

We do not believe we have an obligation to register with the SEC as a clearing agency, though the SEC may disagree.

It is possible that the SEC could determine that we are a clearing agency for purposes of federal law. Under the Exchange Act, a clearing agency is any person who (a) acts as an intermediary in making payments or deliveries, or both, in connection with transactions in securities; (b) provides facilities for comparison of data respecting the terms of settlement of securities transactions, to reduce the number of settlements of securities transactions, or for the allocation of securities settlement responsibilities; (c) acts as a custodian of securities in connection with a system for the central handling of securities whereby all securities of a particular class or series of any issuer deposited within the system are treated as fungible and may be transferred, loaned, or pledged by bookkeeping entry without physical delivery of securities certificates; or (d) otherwise permits or facilitates the settlement of securities transactions or the hypothecation or lending of securities without physical delivery of securities certificates. A clearing agency does not include any person solely by reason of performing a transfer agent function, specifically transferring record ownership of securities by bookkeeping entry without physical issuance of securities certificates. Clearing agencies are generally required to register with the SEC and comply with applicable regulation.

Because we provide a platform that facilitates transfers in crypto assets through API connections to exchanges that permit the transfer of crypto assets, it is possible that we could be viewed as engaging in these types of activities. We have taken the position that we are not a clearing agency under the Exchange Act because the provision of a digital platform is not the type of activity described in the definition of a clearing agency. It is possible that the SEC or another regulatory agency could disagree with our position. If so, we could be forced to register as a clearing agency and comply with applicable law, which could lead to significant costs and could force us to change or cease our operations. Any of these developments could have a negative effect on our business, financial condition and results of operations.

We do not believe we have an obligation to register the platform as an exchange or ATS, though a regulator may disagree.

It is possible that the SEC or another regulator could determine that we are an exchange or an ATS and require us to register and comply with applicable law. Entities that are engaged as “exchanges” or “ATSs” with respect to securities are subject to federal registration and significant regulatory oversight by the SEC and FINRA. Exchanges and ATSs are generally networks that constitute, maintain, or provide a marketplace or facilities for bringing together the orders of multiple purchasers and multiple sellers of securities. A system “brings together” orders if it displays trading interests entered on the system to users (e.g., through consolidated quote screens) or receives orders for processing and execution. This does not include systems that have only one seller for each security (e.g., the issuer), even if there are multiple buyers.

Because we provide a platform that allows customers to access crypto asset exchanges through APIs, it is possible that we could be viewed as engaged in activities that would cause us to be deemed an exchange or ATS. We do not believe that the provision of a platform that provides connection to an exchange through an API constitutes the type of activity that is undertaken by an exchange. However, it is possible that the SEC or another regulator could disagree with our position. If so, we could be forced to register as an exchange or ATS and comply with applicable law, which could lead to significant costs and could force us to change or cease our operations.

Additionally, the exchanges we partner with could be found by the SEC to be illegally operating as unregistered exchanges or ATSs and could require them to shut down. Any of these developments could have a negative effect on our business, financial condition and results of operations.

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We are subject to export control, import, and sanctions laws and regulations that could impair our ability to compete in international markets or subject us to liability if we violate such laws and regulations.

Our business activities are subject to various restrictions under U.S. export control and sanctions laws and regulations, including the U.S. Department of Commerce's Export Administration Regulations and various economic and trade sanctions administered by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"). The U.S. export control laws and U.S. economic sanctions laws include restrictions or prohibitions on the sale or supply of certain products and services to U.S. embargoed or sanctioned countries, governments, persons and entities, and also require authorization for the export of certain encryption items. In addition, various countries regulate the import of certain software and technology, including through import permitting and licensing requirements and have enacted or could enact laws that could limit our ability to distribute our software in those countries.

Although we take precautions to prevent our software and services from being accessed or provided in violation of such laws, we may have previously allowed our software to be downloaded by individuals or entities potentially located in countries or territories subject to U.S. trade embargoes, in violation of U.S. sanctions laws.

On or around December 7, 2018, we received an administrative subpoena issued by OFAC seeking information regarding potential transactions with individuals in Iran.

After learning of these potential violations, we conducted a comprehensive review that covered all countries and territories subject to U.S. trade embargoes administered by OFAC, took remedial action designed to prevent similar activity from occurring in the future, and submitted a voluntary self-disclosure regarding the apparent violations to OFAC. If we are found to be in violation of U.S. economic sanctions laws, it could result in fines and penalties. We may also be adversely affected through reputational harm. Further, the controls we have implemented may not be fully effective and there is no guarantee that we will not inadvertently provide software or services to sanctioned parties in the future. The voluntary self-disclosure is currently under review by OFAC. For more information, see "*Business—Legal and Regulatory Proceedings—OFAC Administrative Subpoena.*"

In addition, changes in our software, or future changes in export and import regulations may prevent our international users from accessing our software. Any change in export or import regulations, economic sanctions or related legislation, or change in the countries, governments, persons or technologies targeted by such regulations, could result in decreased use of our software by existing or potential international users. Any decreased use of our software or limitation on our ability to export our software would likely adversely affect our business, results of operations, and financial results.

The gambling and sports betting industry is subject to extensive and evolving regulations that could change based on political and social norms and that could be interpreted in ways that could negatively impact our business.

We are subject to certain laws and regulations regarding gambling and could be found in violation of such laws and regulations if our internal controls and systems were to fail. The gambling and sports betting industry is subject to extensive and evolving regulations that could change based on political and social norms and that could be interpreted in ways that could negatively impact our business. NextGen generally must maintain licenses with respect to its SportX app in order to continue operations, with its primary license to operate SportX issued by the Gaming Control Board of Curacao, Netherlands Antilles.

In the United States, the Unlawful Internet Gambling Enforcement Act of 2006 ("UIGEA") prohibits, among other things, the acceptance by a business of a wager by means of the internet where such wager is prohibited by any federal or state law where initiated, received or otherwise made. In addition, the Federal Wire Act of 1961 (the "Wire Act") generally prohibits sports betting and the transmission of information related to sports betting via the internet if such betting and transmission of information crosses state lines. Moreover, many states within the United States prohibit sports betting, and where not prohibited, generally require those participating in sports betting within such state to maintain a license with the state's applicable gaming authorities.

For these reasons, NextGen and Exodus have agreed that the SportX app and Exodus Platform shall (i) prohibit persons located in the United States and any of its territories from using the SportX app or the Exodus Platform in connection with the SportX app, (ii) include software restrictions to block persons located in the United States and any of its territories from utilizing the SportX app or the Exodus Platform in connection

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with the SportX app, (iii) only permit bets in the SportX app to be made by bettors in the form of crypto assets held in the cryptocurrency wallets of the bettors, (iv) only permit winnings to be paid out to bettors in the form of crypto assets that are sent over the blockchain directly to the bettor's crypto asset wallet, and (v) take any and all other actions which may be necessary to ensure compliance at all times with U.S. laws concerning gambling and sports betting.

While we believe that we are in compliance in all material respects with all applicable sports betting regulatory requirements, there is no guarantee that the technical blocks we implement and which NextGen implements will be effective. These systems and controls are intended to ensure that our customers do not accept bets from end-users located in jurisdictions where the SportX app is not permitted, any failure of such systems and controls may result in violations of applicable laws or regulations. Any claims in respect of any such violations could have cost, resource, and, in particular if successful, reputational implications, and implications on our ability to retain, renew or expand our portfolio of licenses, and so have a material adverse effect on our operations, financial performance and prospects.

Moreover, we cannot assure that our activities or the activities of our customers will not become the subject of any regulatory or law enforcement, investigation, proceeding or other governmental action or that any such proceeding or action, as the case may be, would not have a material adverse impact on us or our business, financial condition or results of operations.

We are not registered as a money transmitter or money services business, and our business may be adversely affected if we are required to do so.

It is possible that we could be found to be a money services business at the federal level, and/or a "money transmitter" at the state level. Under the Bank Secrecy Act of 1970, as amended by the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 ("USA PATRIOT Act") (collectively, hereinafter, the "BSA"), and BSA implementing regulations adopted by the FinCEN, all money services businesses ("MSBs") are required to (i) register with the U.S. Department of the Treasury through FinCEN; (ii) establish an anti-money laundering ("AML") program; and (iii) meet other recordkeeping and reporting requirements. MSBs include, among other businesses, a person providing "money transmission services," which includes the "acceptance of currency, funds, or other value that substitutes for currency from one person and the transmission of currency, funds, or other value that substitutes for currency to another location or person by any means." Because of the breadth of this definition, FinCEN regulations state that whether a person is a "money transmitter" is ultimately a "facts and circumstances" determination.

In addition to obligations at the federal level, virtually every U.S. state (and the District of Columbia) requires entities providing money transmission services to be licensed by the appropriate state agency responsible for the supervision of financial institutions. State laws regulating money transmission are not uniform, but generally define "money transmission" to include the receiving of money or monetary value for transmission or the transmitting of money or monetary value to a location within or outside the U.S. by any means.

FinCEN has provided limited guidance regarding the application of the BSA to activities involving crypto assets, and it is unclear whether our activities in regard to crypto assets could trigger a federal MSB registration requirement in and of itself. We believe that we do not meet the definition of a money transmitter because Exodus does not exercise "total independent control" over the value in our customers' wallets. Exodus does not accept or transmit virtual currency on behalf of any customer, or otherwise act as an intermediary for exchange of currencies by taking possession of such crypto assets. If we were deemed to be an MSB, at the federal level, and/or a "money transmitter" at the state level, we could be subject to significant additional regulation, which could affect our business and operations.

Due to the revenue structure for our exchange, we could be deemed a broker-dealer if certain crypto assets were deemed to be securities.

It is possible that our activities with respect to crypto assets would cause us to be viewed as a "broker" or "dealer" under federal or state law. Under the Exchange Act, a "broker" is a person engaged in the business of effecting transactions in securities for the account of others. The staff of the SEC has indicated that receiving commissions or other transaction-related compensation is one of the determinative factors in deciding whether a person is "engaged in the business" of being a "broker," in part because this "salesman's stake" in a securities transaction incentivizes the recipient to encourage transactions that may or may not be appropriate for the parties

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involved. Because for certain crypto assets we receive a percentage of the amount of crypto assets a customer exchanges using our exchange, if any of the crypto assets for which we receive such payment were deemed to be securities, we could be viewed as a broker based on our receipt of such compensation. More generally, our activities with respect to any crypto assets that are deemed securities could trigger the need for broker registration. We have engaged in a review process for the crypto assets available to be traded through the Exchange Aggregator on our platform, and based on that review process, we have created two separate fee structures for the exchanges connected to the Exchange Aggregator. We charge a monthly flat fee to exchanges on which U.S. persons trade tokens. For exchanges that do not deal with U.S. persons, or on which U.S. persons do not have the ability to trade tokens that could be considered securities, we may charge a percentage of assets exchanged. We may also charge exchanges on which U.S. persons trade tokens a percentage of assets exchanged for certain digital assets that we have determined are not securities. However, it is possible that the SEC or another regulator could disagree with our position regarding which tokens are not securities and whether we generally have an obligation to register as a broker-dealer. If that were to be the case, we may be required to change our compensation system or make other changes to our platform and business, which could have a negative effect on our financial position. We may also be required to register as a broker-dealer and comply with applicable regulations. Any of these developments could have a negative effect on our business, financial condition and results of operations.

If we were deemed to be a broker-dealer, we would likely experience difficulty in complying with the broker-dealer financial responsibility rules.

If we were deemed to be a broker-dealer, we would have to comply with a number of regulatory requirements, including compliance with regulations that govern broker-dealer financial responsibility, such as Exchange Act Rule 15c3-3(b), which relates to establishing and maintaining physical possession or control of a customer's digital asset securities. It is likely that we would experience significant challenges in attempting to comply with these regulations, and may not be able to achieve such compliance. Due to the nature of digital asset securities, if we were deemed to be a broker-dealer, it would likely be difficult for us to comply with the requirements to obtain and maintain physical possession or control of all fully paid or excess securities carried for the account of customers. In addition, obtaining an exemption from such custody rules would likely also result in significant costs to the company, in regard to both financial and management resources, and we may not be able to obtain such an exemption. For example, in the ATS Role in the Settlement of Digital Asset Security Trades, SEC Staff No-Action Letter (Sep. 25, 2020), the Staff described an acceptable process for regulated non-custodial ATS exchanges, but such process would be costly to implement and operate. It is likely that we would not be able to implement and operate such a process. Should we be deemed to be a broker-dealer, and should we not be able to either obtain an exemption from or implement acceptable processes for compliance with the broker-dealer financial responsibility rules, we would be deemed to not be in compliance with the appropriate broker-dealer regulations. Such non-compliance would likely have a materially adverse effect on our business and financial operations.

We may be subject to a variety of foreign laws and regulations, and our failure to comply with such laws and regulations, or expenses we incur related to compliance, could be negatively affect our business and operations.

We may be subject to a variety of foreign laws and regulations that involve matters central to our business. These could include, for example, regulations related to user privacy such as the General Data Protection Regulation ("GDPR"), blockchain technology, potential broker-dealer or exchange activities, data protection, and intellectual property, among others. Our Swiss subsidiary, Proper Trust AG, will be subject to Swiss corporate and privacy laws and regulations, and will be regulated by the Swiss State Secretariat for Economic Affairs, which is similar to OFAC (see above, "We are subject to export control, import, and sanctions laws and regulations that could impair our ability to compete in international markets or subject us to liability if we violate such laws and regulations.") In certain cases, foreign laws may be more restrictive than those in the United States. Although we believe we are operating in compliance with the laws of jurisdictions in which Exodus exists, foreign laws and regulations are constantly evolving and can be subject to significant change. In addition, the application and interpretation of these laws and regulations are often uncertain, particularly in the new and rapidly evolving industry in which we operate. As a result, crypto assets and blockchain technologies such as those we are involved in face an uncertain regulatory landscape in many foreign jurisdictions, including but not limited to the European Union, China and Russia. Other foreign jurisdictions may also, in the near future, adopt laws, regulations or directives that affect our business.

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We have adopted policies and procedures designed to comply with the laws that apply to us as we understand them. However, the growth of our business and its expansion outside of the United States may increase the potential of violating foreign laws or our own internal policies and procedures. The risk of our Company being found in violation of applicable laws and regulations is further increased by the fact that many of them are open to a variety of interpretations given the absence of formal interpretation by regulatory authorities or the courts. This risk may also be increased by the fact that our business crosses jurisdictional lines, and we may not always be in control of all activities that occur on the Exodus Platform.

Any action brought against us by a foreign regulator or in a private action based on foreign law could cause us to incur significant legal expenses and divert our management's attention from the operation of the business. If our operations are found to be in violation of any laws and regulations, we may be subject to penalties associated with the violation, including civil and criminal penalties, damages and fines; we could be required to refund payments received by us; and we could be required to curtail or cease operations. Any of these consequences could seriously harm our business and financial results. In addition, existing and proposed laws and regulations can be costly to comply with and can delay or impede the development of new products, result in negative publicity, increase operating costs, require significant management time and attention, and subject us to claims or other remedies, including fines or demands that we modify or cease existing business practices.

Any applicable foreign laws, regulations or directives may also conflict with those of the United States. The effect of any future regulatory change is impossible to predict, but any change could be substantial and materially adverse to the adoption and value of the tokens and our operations.

Other Risks

Privacy and Data Protection

Privacy concerns and laws or other domestic or foreign regulations may reduce the effectiveness of our platform and adversely affect our business.

We are subject to laws and regulations relating to privacy, data protection, and data security. These laws and regulations are evolving, may impose inconsistent or conflicting standards among jurisdictions, can be subject to significant change and may result in ever-increasing regulatory and public scrutiny and escalating levels of enforcement and sanctions. For example, in the European Union, the GDPR imposes stringent obligations relating to privacy, data protection, and data security, authorizes fines up to 4% of global annual revenue or €20 million, whichever is greater, for some types of violations. In the United Kingdom, a Data Protection Act that substantially implements the GDPR also became law in May 2018, and was further amended in 2019 to align it more closely with the GDPR. Further, on January 1, 2020, the California Consumer Privacy Act ("CCPA") went into effect. The CCPA, among other things, requires covered companies to provide new disclosures to California consumers, and afford such consumers new abilities to opt-out of certain sales of personal information. The CCPA provides for civil penalties for violations, as well as a private right of action that may increase related litigation. Moreover, a new privacy law, the California Privacy Rights Act ("CPRA"), recently was promulgated. The CPRA significantly modifies the CCPA, potentially requiring us to incur additional costs and expenses in an effort to comply with the new regulations before enforcement begins in 2023. In addition, some countries are considering or have enacted legislation requiring local storage and processing of data that could increase the cost or complexity of operating our platform or providing services.

In addition to government regulation, privacy advocates and industry groups may propose self-regulatory standards from time to time. These and other industry standards may legally or contractually apply to us, or we may elect to comply with such standards or to facilitate compliance with such standards. We cannot control the conduct of our customers using an Exodus wallet, who may engage in businesses that make them subject to privacy and data protection laws, and as a result there can be no guarantee that users of the platform will not engage in misconduct. We also expect that there will continue to be new proposed laws, regulations and standards relating to privacy and data protection in various jurisdictions, and we cannot determine the impact such future laws, regulations and standards, or new or differing interpretations or patterns of enforcement of laws, regulations and standards, may have on our business.

Aspects of the GDPR, CCPA, and other laws, regulations, standards, and other obligations relating to privacy, data protection, and data security remain uncertain, and complying with these laws, regulations, and obligations, as well as new laws, amendments to or re-interpretations of existing laws and regulations, industry standards, and contractual and other obligations, may require us to undertake additional obligations and incur

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additional costs, modify our data handling practices, and restrict our business operations. It also is possible that these laws, standards, contractual obligations, and other obligations may be interpreted and applied in a manner that is, or is alleged to be, inconsistent with our data management practices, our privacy, data protection, or data security policies or procedures, the Exodus Platform or our services. If so, in addition to the possibility of fines, lawsuits and other claims, we could be required to modify the Exodus Platform or services, or make changes to our business activities and practices, which could adversely affect a customer's Exodus wallet, our platform, and our business as a whole. We may be unable to make such changes and modifications in a commercially reasonable manner or at all, and our ability to develop new offerings and features, and to make uses of data, could be limited.

Any violations, or perceived violations, of laws, regulations, or contractual or other obligations relating to privacy, data protection, or data security could subject us to fines, penalties, and regulatory investigations and other actions, as well as to civil actions by affected parties. Any such actual or perceived violations could result in negative publicity and harm to our or our third-party API providers' reputations, as well as adversely affect our ability to expand our platform and its functionality and any associated services, which could have a material adverse effect on our operations and financial condition. Additionally, privacy, data protection, and data security concerns, whether valid or not valid, may inhibit market adoption of Exodus wallets and use of our platform, particularly in certain industries and foreign countries.

Tax

Changes in our effective tax rate or tax liability may adversely affect our operating results.

Our effective tax rate could increase due to several factors, including:

- changes in the treatment of crypto assets under tax laws;
- changes in the relative amounts of income before taxes in the various jurisdictions in which we operate due to differing statutory tax rates in various jurisdictions;
- changes in tax laws, tax treaties, and regulations or the interpretation of them, including the Tax Cuts and Jobs Act ("Tax Act") and the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act");
- changes to our assessment about our ability to realize our deferred tax assets that are based on estimates of our future results, the prudence and feasibility of possible tax planning strategies, and the economic and political environments in which we do business;
- the outcome of current and future tax audits, examinations, or administrative appeals; and
- imitations or adverse findings regarding our ability to do business in some jurisdictions.

Any of these developments could adversely affect our operating results.

We may become subject to tax examinations of our tax returns by the Internal Revenue Service, or the IRS, and other domestic and foreign tax authorities. An adverse outcome of any such audit or examination by the IRS or other tax authority could have a material adverse effect on our results of operations and financial condition.

We may become subject to audit by the IRS and other tax authorities in various domestic and foreign jurisdictions. As a result, we may in the future receive assessments in multiple jurisdictions on various tax-related assertions. Taxing authorities also may challenge our tax positions and methodologies on various matters, including on the crypto assets that we hold and use to pay employees and expenses in the future. The calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax laws and regulations in a variety of jurisdictions. There can be no assurance that our tax positions and methodologies or calculation of our tax liabilities are accurate or that the outcomes of future tax examinations will not have an adverse effect on our results of operations and financial condition.

We may have exposure to greater than anticipated income tax liabilities and may be affected by changes in tax laws, which could adversely impact our results of operations and financial condition.

We operate in a number of tax jurisdictions globally, including in the United States at the federal, state, and local levels, and in certain other countries, and plan to continue to expand the scale of our operations in the future. Accordingly, we are subject to income taxes in the United States and certain jurisdictions outside of the

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United States. While we did not incur significant income taxes in fiscal year 2019, we have incurred significant income taxes in prior years and may in the future face significant tax liabilities. Our tax expense could also be impacted by changes in non-deductible expenses, changes in excess tax benefits of stock-based compensation, changes in the valuation of deferred tax assets and liabilities, and our ability to utilize them, the applicability of withholding taxes, and effects from acquisitions.

Our tax provision could also be impacted by changes in accounting principles, changes in U.S. federal, state, or international tax laws applicable to corporate multinationals such as the recent legislation enacted in the United States and Switzerland, other fundamental law changes currently being considered by many countries, and changes in taxing jurisdictions' administrative interpretations, decisions, policies, and positions. For example, on December 22, 2017, tax reform legislation referred to as the Tax Act was enacted in the United States. The Tax Act significantly revises U.S. federal income tax law, including lowering the corporate income tax rate to 21%, requiring companies to pay a one-time transition tax on certain unrepatriated earnings of foreign subsidiaries, implementing a modified territorial tax system, requiring a current inclusion in U.S. federal taxable income of certain earnings of controlled foreign corporations, and creating a base erosion anti-abuse tax. We have reflected the impact of the Tax Act in our financial statements in accordance with our understanding of the Tax Act and guidance available as of the date of this offering circular. The primary effect of the Tax Act on our consolidated financial results was a reduction of our effective tax rate due to the vast majority of our revenue coming from foreign sources. This revenue is favorably impacted by the foreign-derived intangible income deduction. Many consequences of the Tax Act, including whether and how state, local, and foreign jurisdictions will react to such changes, are not entirely clear at this time and the U.S. Department of the Treasury has broad authority to issue regulations and interpretive guidance that may significantly impact how the Tax Act will apply to us. Any of the foregoing changes could have an adverse impact on our results of operations, cash flows, and financial condition.

Our international operations require us to exercise judgment in determining the applicability of tax laws, which may subject us to potentially adverse tax consequences.

We generally conduct our international operations through subsidiaries and are subject to income taxes and potentially other non-income-based taxes, such as payroll, value-added, goods and services and other local taxes. Our domestic and international tax liabilities are subject to various jurisdictional rules regarding the calculation of taxable income in various jurisdictions worldwide based upon our business operations in those jurisdictions. Our intercompany relationships are subject to complex transfer pricing regulations administered by taxing authorities in various jurisdictions. The relevant taxing authorities may disagree with our determinations as to the value of assets sold or acquired or income and expenses attributable to specific jurisdictions. If such a disagreement were to occur, and our position were not sustained, we could be required to pay additional taxes, interest and penalties, which could result in one-time tax charges, higher effective tax rates, reduced cash flows and lower overall profitability of our operations.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This offering circular contains forward-looking statements that are based on management's beliefs and assumptions and on information currently available to management. Some of the statements in the sections of this offering circular captioned "*Offering Summary*," "*Risk Factors*," "*Management's Discussion and Analysis of Financial Condition and Results of Operations*," and "*Business*" and elsewhere in this offering circular contain forward-looking statements. In some cases, you can identify forward-looking statements by the following words: "may," "will," "could," "would," "should," "expect," "intend," "plan," "anticipate," "believe," "estimate," "predict," "project," "potential," "continue," "ongoing" or the negative of these terms or other comparable terminology, although not all forward-looking statements contain these words.

These statements involve risks, uncertainties, assumptions and other factors that may cause actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements. Although we believe that we have a reasonable basis for each forward-looking statement contained in this offering circular, we caution you that these statements are based on a combination of facts and factors currently known by us and our projections of the future, about which we cannot be certain. Forward-looking statements in this offering circular include, but are not limited to, statements about:

- our future financial performance, including our expectations regarding our revenue, cost of revenue, gross profit, operating expenses,
- our use of the net proceeds from this offering;
- changes in general and administrative expenses (including any components of the foregoing), advertising and marketing expenses, depreciation and amortization expenses, impairment of digital asset expenses, and stock-based compensation expenses, and our ability to achieve, and maintain, future profitability;
- our business plan and our ability to effectively manage our growth;
- our market opportunity, including our total addressable market;
- anticipated trends, growth rates, and challenges in our business and in the markets in which we operate;
- beliefs and objectives for future operations;
- our ability to further attract, retain, and expand our customer base;
- our ability to develop new products and services and bring them to market in a timely manner;
- our expectations concerning relationships with third parties, including strategic partners;
- our ability to maintain, protect, and enhance our intellectual property;
- our response to emerging and future cybersecurity risks;
- the effects of increased competition in our markets and our ability to compete effectively;
- future acquisitions or investments in complementary companies, products, services, or technologies;
- our ability to maintain compliance with laws and regulations that currently apply or become applicable to our business;
- economic and industry trends, projected growth, or trend analysis;
- our ability to attract and retain qualified employees; and
- the estimates and methodologies used in preparing our consolidated financial statements.

In addition, you should refer to the section of this offering circular captioned "*Risk Factors*" for a discussion of other important factors that may cause actual results to materially differ from those expressed or implied by the forward-looking statements. As a result of these factors, we cannot assure you that the forward-looking statements in this offering circular will prove to be accurate. Furthermore, if the forward-looking statements prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame, or at all. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

USE OF PROCEEDS

The net proceeds from our sale of 1,914,661 shares of Class A common stock in this offering at the offering price of \$27.42 per share, after deducting estimated offering expenses, will be approximately \$51 million. We will not receive any proceeds from the sale of shares of our Class A common stock by the selling stockholders.

The principal purposes of this offering are to obtain additional capital and increase our financial flexibility. We currently intend to use the net proceeds we receive from this offering for the continued expansion of our platform, with a focus on software development and increasing our marketing efforts to attract additional customers to our platform.

We will have broad discretion over the uses of the net proceeds of this offering. Pending these uses, we may choose to leave proceeds in the digital assets received or invest the net proceeds from this offering in short-term, investment-grade interest bearing securities such as money market accounts, certificates of deposit, commercial paper and guaranteed obligations of the U.S. government.

The table below shows the estimated net proceeds we would receive from this offering assuming the sale of 25%, 50%, 75% and 100% of the Class A common stock we and the selling stockholders are offering. There is no guarantee that we will be successful in selling any of the Class A common stock we are offering. Our net proceeds could change based on the number of shares sold by selling stockholders (in millions).

	<u>25%</u>	<u>50%</u>	<u>75%</u>	<u>100%</u>
Gross proceeds	\$18.8	\$37.5	\$52.5	\$52.5
Offering expenses ¹	\$ 1.5	\$ 1.5	\$ 1.5	\$ 1.5
Net proceeds to Exodus Movement, Inc.	\$17.3	\$36.0	\$51.0	\$51.0

¹ Offering expenses were paid out of working capital previously allocated for those expenditures. Offering expenses consisting primarily of legal and accounting fees which we estimate to be approximately \$1.5 million.

The table below sets forth the manner in which we intend to use the net proceeds we receive from this offering, assuming the sale of 25%, 50%, 75% and 100% of from the Class A common stock we and the selling stockholders are offering. All amounts listed below are estimates (in millions).

	<u>25%</u>	<u>50%</u>	<u>75%</u>	<u>100%</u>
Software development	\$11.5	\$24.0	\$29.1	\$29.1
Marketing	\$ 4.6	\$ 9.6	\$14.6	\$14.6
Operations/Cash reserves	\$ 1.2	\$ 2.4	\$ 7.3	\$ 7.3

DIVIDEND POLICY

We have never declared or paid cash dividends on our capital stock. We currently intend to retain all available funds and any future earnings for use in the operation of our business and do not anticipate paying any dividends on our capital stock in the foreseeable future. Any future determination to declare dividends will be made at the discretion of our board of directors and will depend on our financial condition, operating results, capital requirements, general business conditions, and other factors that our board of directors may deem relevant.

CAPITALIZATION

The following table sets forth our cash and cash equivalents, as well as our capitalization, as of December 31, 2020, on:

- an actual basis;
- a pro forma basis to give effect to (1) the conversion of \$0.5 million aggregate principal amount of SAFEs into 2,904,498 shares of Class B common stock in February 2021; (2) the issuance of 4,800 shares of Class B common stock to COHAGEN WILKINSON, INC., a selling stockholder in this offering, in January 2021 and (3) the exercise of options to purchase 296,997 shares of Class B common stock in connection with, and contingent upon, the consummation of this offering and the automatic conversion of 818,568 shares of Class B common stock (including 296,997 shares of Class B common stock issued upon exercise of outstanding options) upon their sale by the selling stockholders in this offering; and
- a pro forma as adjusted basis to give effect to the sale and issuance by us of 1,914,661 shares of Class A common stock in this offering and the receipt of the net proceeds from our sale of these shares at the offering price of \$27.42 per share, after deducting offering expenses.

You should read the information in this table together with our consolidated financial statements and related notes to those statements, as well as the sections captioned “Selected Consolidated Financial Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” appearing elsewhere in this offering circular.

	As of December 31, 2020		
	Actual	Pro Forma	Pro Forma As Adjusted
	(in thousands, except share data)		
Cash and cash equivalents	\$ 2,612	\$ 3,322	\$ 3,322
Digital assets	7,668	7,668	58,968
Stockholders’ equity:			
Preferred stock, par value \$0.000001 per share: 5,000,000 shares authorized, no shares issued and outstanding, actual, pro forma and pro forma as adjusted	—	—	—
Class A common stock, par value \$0.000001 per share: 32,500,000 shares authorized; no shares issued and outstanding, actual; 818,568 issued and outstanding, pro forma, 2,733,229 shares issued and outstanding, pro forma as adjusted	—	—	—
Class B common stock, par value \$0.000001 per share: 27,500,000 shares authorized; 20,011,830 shares issued and outstanding, actual; 22,399,557 issued and outstanding, pro forma and pro forma as adjusted	—	—	—
Additional paid-in capital	2,621	3,869	55,169
Accumulated other comprehensive income	248	248	248
Retained earnings	14,954	14,954	14,954
Total stockholders’ equity	17,823	19,071	71,571
Total capitalization	\$17,823	\$19,071	\$71,571

The number of shares of our Class A common stock and our Class B common stock to be outstanding after this offering is set forth in the table below, which sets out our actual, pro forma and pro forma as adjusted number of shares outstanding as of December 31, 2020:

	Actual ⁽¹⁾⁽²⁾	Pro Forma ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾	Pro Forma As Adjusted ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾
Class A Common Stock	—	818,568	2,733,229
Class B Common Stock	20,011,830	22,399,557	22,399,557

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- (1) Reflects the filing of a certificate of amendment to our amended and restated certificate of incorporation in February 2021, which increased the number of authorized shares of our capital stock and effected the Forward Stock Split.
- (2) Excludes (a) 2,737,008 shares of our Class B common stock issuable upon exercise of options outstanding, at a weighted average exercise price of \$2.39 per share, as of December 31, 2020 and (b) 262,992 shares of our Class B common stock reserved for future issuance under our 2019 Equity Incentive Plan as of December 31, 2020.
- (3) Reflects the exercise of options to purchase 296,977 shares of Class B common stock in connection with, and contingent upon, the consummation of this offering and the automatic conversion of 818,568 shares of Class B common stock (including 296,997 shares of Class B common stock issued upon exercise of outstanding options) upon their sale by the selling stockholders in this offering.
- (4) Reflects the conversion of \$0.5 million aggregate principal amount of SAFEs into 2,904,498 shares of Class B common stock in February 2021.
- (5) Reflects the issuance of 4,800 shares of Class B common stock to COHAGEN WILKINSON, INC., a selling stockholder in this offering, in January 2021.

DILUTION

If you invest in our Class A common stock in this offering, your ownership interest will be diluted to the extent of the difference between the amount per share paid by purchasers of shares of Class A common stock in this offering and the pro forma as adjusted net tangible book value per share immediately after this offering.

Historical pro forma net tangible book value represents our total tangible assets less total liabilities. As of December 31, 2020, our historical pro forma net tangible book value was \$19.0 million and our historical pro forma net tangible book value per share was \$0.82.

After giving effect the sale and issuance of 2,733,229 shares of Class A common stock in this offering by us and the selling stockholders at a price per share of \$27.42, and after deducting estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of December 31, 2020 would have been \$70.1 million, or \$2.79 per share. This represents an immediate increase in pro forma as adjusted net tangible book value of \$1.97 per share to existing stockholders and an immediate dilution of \$24.63 per share to new investors purchasing common stock in this offering. Dilution per share to new investors purchasing common stock in this offering is determined by subtracting pro forma as adjusted net tangible book value per share after this offering from the price per share paid by new investors.

The following table illustrates this dilution to new investors on a per share basis:

Price per share of Class A common stock in this offering	\$27.42
Historical pro forma net tangible book value per share as of December 31, 2020	\$0.82
Increase per share attributable to new investors purchasing shares in this offering	\$1.97
Pro forma as adjusted net tangible book value per share after this offering	\$ 2.79
Dilution per share to new investors purchasing shares in this offering	<u>\$24.63</u>

The following table summarizes, as of December 31, 2020, on a pro forma as adjusted basis, as described above, the differences between the existing stockholders and the new investors purchasing shares of common stock in this offering with respect to the number of shares purchased from us, the total consideration paid or to be paid to us, which includes net proceeds received from the issuance of our common stock and the average price per share paid or to be paid to us at the offering price of \$27.42 per share, before deducting offering expenses payable by us:

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
(in thousands, except per share data and percentages)					
Existing stockholders	818,568	30%	\$22,445	30%	\$27.42
New investors participating in this offering	<u>1,914,661</u>	<u>70%</u>	<u>\$52,500</u>	<u>70%</u>	27.42
Total	<u>2,733,229</u>	100%	\$74,945	100%	27.42

Sales by the selling stockholders in this offering will cause the number of shares held by existing stockholders to be reduced to 22,399,557 shares, or 89% of the total number of shares of our common stock outstanding after this offering, and will increase the number of shares held by new investors to 2,733,229 shares, or 11% of the total number of shares of our common stock outstanding after this offering.

The number of shares of our Class A common stock and our Class B common stock to be outstanding after this offering is set forth in the table below, which sets out our actual, pro forma and pro forma as adjusted number of shares outstanding as of December 31, 2020:

	Actual ⁽¹⁾⁽²⁾	Pro Forma ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾	Pro Forma As Adjusted ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾
Class A Common Stock	—	818,568	2,733,229
Class B Common Stock	20,011,830	22,399,557	22,399,557

(1) Reflects the filing of a certificate of amendment to our amended and restated certificate of incorporation in February 2021, which increased the number of authorized shares of our capital stock and effected the Forward Stock Split.

(2) Excludes (a) 2,737,008 shares of our Class B common stock issuable upon exercise of options outstanding, at a weighted average exercise price of \$2.39 per share, as of December 31, 2020 and (b) 262,992 shares of our Class B common stock reserved for future issuance under our 2019 Equity Incentive Plan as of December 31, 2020.

(3) Reflects the exercise of options to purchase 296,997 shares of Class B common stock in connection with, and contingent upon, the consummation of this offering and the automatic conversion of 818,568 shares of Class B common stock (including 296,997 shares of Class B common stock issued upon exercise of outstanding options) upon their sale by the selling stockholders in this offering.

(4) Reflects the SAFE Conversion.

(5) Reflects the issuance of 4,800 shares of Class B common stock to COHAGEN WILKINSON, INC., a selling stockholder in this offering, on January 14, 2021.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of Exodus's financial condition and results of operations together with the consolidated financial statements and related notes that are included elsewhere in this offering circular. This discussion contains forward-looking statements based upon current plans, expectations and beliefs that involve risks and uncertainties. Exodus's actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors," "Information Regarding Forward Looking Statements" and in other parts of this offering circular.

Overview of Our Business

Our mission is to ignite an exodus from the traditional banking system by empowering people to secure, manage and use their crypto assets. On December 9, 2015, we launched the Exodus Platform for holding and using their crypto assets, and every two weeks since our launch, we have released new updates that continued to develop, build on and improve the Exodus Platform.

We believe that crypto assets should be easy to use and easy to understand. Crypto assets have the potential to profoundly change the way society does business, manages its wealth and even looks at money itself—but unlocking these possibilities first requires that crypto assets be made accessible and engaging, without technical jargon or complexities obscuring the core features, benefits and uses of crypto assets.

We are relentlessly focused on delivering the best customer experience in the blockchain and crypto asset industry. We have built a platform that brings together a simple, elegant and intuitive interface with powerful functionality—including support for over 100 crypto assets, integrations with seven crypto-to-crypto exchanges and integrations with third-party applications, such as Compound Finance and SportX.

We operate in the financial technology subsector of the greater blockchain and crypto asset industry and our customers are both experienced people and entities familiar with this technology and those new to financial solutions powered by blockchain technology and crypto assets.

We built the Exodus Platform to give our customers the power to quickly secure, control, and manage their digital wealth. Our platform allows our customers to store and access their crypto assets in a secure environment that only they control on their desktop and mobile devices while delivering a simple, elegant and intuitive experience. The trustworthiness of your bank's online portal without service windows and clunky interfaces, the speed of centralized crypto exchanges without the risk of third-party custody – our customers have the best of both worlds in Exodus. The Exodus Platform allows our customers to leverage the power of crypto assets in an easy and straightforward way, without compromising privacy or the security of their funds.

Components of Results of Operations

Revenue

Exodus has entered into agreements with various third-party API providers whereby the provider is allowed to integrate their services into the Exodus Platform for use by users of the Exodus Platform. These integrations are known as APIs, and we earn revenue based on the API fees detailed in the associated API agreements. Most, but not all, of our revenue is earned on a transactional basis whereby users of the Exodus Platform access the services of the API providers through the API. Certain interactions generate API fees, and we track fees earned on a daily basis. Examples of services provided by API providers include cryptocurrency-to-cryptocurrency exchanges, fiat-to-cryptocurrency conversions, cryptocurrency staking, and sports betting.

For transaction-based API fees, the transaction price is allocated per qualified interaction between the provider and the user and is paid by the provider. As each interaction occurs, we recognize revenue. With the majority of our revenue being transaction-based, our revenue can vary significantly based on the type and number of interactions that occur each day. We believe that there will be additional demand for the API services in the future as a greater number of people begin to use cryptocurrencies. We anticipate that proceeds from the API fees, if and when recognized as revenue under our current accounting policy (or if and when recognized as revenue under an appropriate future accounting policy) will continue to generate the majority of our revenue for the foreseeable future.

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For non-transaction-based API fees, we recognize revenues based on when performance obligations in the underlying contracts have been identified, priced, allocated, and satisfied. No non-transaction-based fees were recognized until July 2020.

Cost of Revenues

Exodus's costs of revenues are classified as software development, customer support, and security and wallet operations.

Software Development

Software development expenses represent costs incurred by Exodus for the development of the Exodus Platform, individual API integrations, as well as our application ecosystem, and include: related salaries and costs, fees paid to consultants and outside service providers. Our application ecosystem is still under development, and there are significant hurdles to overcome before critical components of the ecosystem become operational. As a result, we expect our software development expenses to increase over the next several years as we accelerate improvements to the user experience and functionality of the wallet, integrate new APIs services, and develop the Exodus ecosystem.

Customer Support

Customer support includes related salaries and costs, and fees paid to consultants and outside service providers. Exodus views customer support as an integral part of its product offerings and made significant investments in this area in 2019 and 2020. Further investments in customer support are expected later in the development of the Exodus ecosystem.

Security and Wallet Operations

Security and wallet operations expenses consist of development operations and security related activities. As the Exodus application ecosystem is still under development, Exodus expects security and wallet operations expenses to increase over the next several years as we accelerate improvements to the user experience and functionality of the wallet. We continually explore and evaluate ways to make the Exodus Platform and ecosystem more secure.

Operating Expenses

Exodus's operating expenses are classified as general and administrative, and advertising and marketing.

General and Administrative

General and administrative expenses consist of administrative, compliance, legal, investor relations, and financial operations. They include office expenses, meals and entertainment costs, software/applications for operational use, and other general and administrative expenses, including but not limited to technology subscriptions, travel, utilities, and vehicle expenses. These expenses account for a significant portion of our operating expenses. We anticipate that our general and administrative expenses will increase in the future to support our continued growth, regulatory compliance, and the costs associated with increased reporting requirements.

Advertising and Marketing

Advertising and Marketing expenses include marketing and business development related activities consisting primarily of advertising, corporate marketing, public relations, promotional items, events and conferences and fees paid for software applications used for advertising and marketing. We have traditionally focused on low cost marketing channels and word-of-mouth advertising. However, more sophisticated marketing strategies are being explored to increase our outreach efforts; as such corresponding investments in advertising and marketing are expected to increase significantly.

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Results of Operations

The following table sets forth selected consolidated statements of operations data for the years ended December 31, 2020 and 2019.

	2020	2019
	(amounts in thousands)	
Revenues	\$21,251	\$ 7,922
Cost of revenues		
Software development	3,465	3,000
Customer support	1,824	1,044
Security and wallet operations	3,517	2,578
Total cost of revenues	8,806	6,622
Gross profit	12,445	1,300
Operating expenses		
General and administrative	3,802	2,235
Advertising and marketing	1,081	569
Depreciation and amortization	736	103
Impairment of digital assets	2,430	1,738
Income (loss) from operations	4,396	(3,345)
Other income (expense)		
Gain on sale or transfer of digital assets	5,017	3,118
Interest expense	(6)	(3)
Interest income	80	55
Total other income and expense	5,091	3,170
Income (loss) before income taxes	9,487	(175)
Income tax (expense) benefit	(1,310)	(55)
Net income (loss)	\$ 8,177	\$ (230)
Other comprehensive income (loss)		
Foreign Currency Translation Adjustment	248	—
Comprehensive income (loss)	\$ 8,425	\$ (230)

Comparison of the year ended December 31, 2020 and 2019
Revenue

	For the year ended December 31,		
	2020	2019	Percent Change
	(amounts in thousands)		
Revenue	\$21,251	\$7,922	168%

Revenue for the year ended December 31, 2020 was \$21.25 million compared to \$7.92 million for the year ended December 31, 2019, an increase of \$13.33 million or 168%. The increase in total revenue was primarily driven by revenue from the exchange aggregation of \$12.5 million, with three customers individually generating increases in revenue of \$4.8 million, \$4.3 million, and \$2.0 million. New products and services, such as consulting, fiat on-boarding, and staking were implemented in 2020 and account for \$0.77 million of the increase.

Software Development Expense

	For the year ended December 31,		
	2020	2019	Percent Change
	(amounts in thousands)		
Software development expense	\$3,465	\$3,000	15%

Software development expenses for the year ended December 31, 2020 were \$3.46 million compared to \$3.00 million for the year ended December 31, 2019, an increase of \$0.46 million or 15%. This growth was

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primarily due to an increase in hiring and associated compensation expenses of \$0.44 million. This includes \$1.6 million in general salary increases, which is offset by a decrease of \$0.3 million of stock-based compensation and \$1.0 million related to increased software capitalization due to change in development mix away from internal use projects.

Customer Support Expense

	For the year ended December 31,		
	2020	2019	Percent Change
	(amounts in thousands)		
Customer support expense	\$1,824	\$1,044	75%

Customer support expenses for the year ended December 31, 2020 were \$1.82 million compared to \$1.04 million for the year ended December 31, 2019, an increase of \$0.78 million or 75%. This growth was primarily due to an increase in hiring and the associated compensation expenses of \$0.72 million.

Security and Wallet Operations Expense

	For the year ended December 31,		
	2020	2019	Percent Change
	(amounts in thousands)		
Security and wallet operations expense	\$3,517	\$2,578	36%

Security and wallet expenses for the year ended December 31, 2020 were \$3.52 million compared to \$2.58 million for the year ended December 31, 2019, an increase of \$0.94 million or 36%. This growth was primarily due to an increase in cloud infrastructure services expenditures of \$0.67 million and in hiring and the associated compensation expenses of \$0.28 million.

General and Administrative Expense

	For the year ended December 31,		
	2020	2019	Percent Change
	(amounts in thousands)		
General and administrative expense	\$3,802	\$2,235	70%

General and administrative expenses for the year ended December 31, 2020 were \$3.80 million compared to \$2.24 million for the year ended December 31, 2019, an increase of \$1.56 million or 70%. This growth was primarily due to an increase in hiring and associated compensation expenses of \$1.00 million and an increase in legal and professional services expenditures of \$0.69 million. The growth was also due to increases in equipment expense of \$0.06 million as well as increases in technology subscriptions and employee programs of \$0.08 million. Partially offsetting these increases was a reduction in recruiting expenses of \$0.19 million, travel expenses of \$0.04 million and bank charges and fees, including credit card rebates of \$0.04 million.

Advertising and Marketing Expense

	For the year ended December 31,		
	2020	2019	Percent Change
	(amounts in thousands)		
Advertising and marketing expense	\$1,081	\$569	90%

Advertising and marketing expenses for the year ended December 31, 2020 were \$1.08 million compared to \$0.57 million for the year ended December 31, 2019, an increase of \$0.51 million or 90%. This growth was primarily due to an increase in hiring and associated compensation expenses of \$0.25 million and an increase in marketing expenses of \$0.41 million. Partially offsetting these increases was a decrease in promotional items and other advertising expenditures of \$0.15 million.

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Depreciation and Amortization

	For the year ended December 31,		
	2020	2019	Percent Change
	(amounts in thousands)		
Depreciation and amortization	\$736	\$103	615%

Depreciation and amortization expenses for the year ended December 31, 2020 were \$0.74 million compared to \$0.10 million for the year ended December 31, 2019, an increase of \$0.63 million or 615%. Fixed asset increases were driven by equipment purchases associated with additional headcount as well as a \$0.26 million purchase of company vehicles. Depreciation expense increased by \$0.04 million and amortization expense increased by \$0.59 million.

Impairment of Digital Assets

	For the year ended December 31,		
	2020	2019	Percent Change
	(amounts in thousands)		
Impairment of digital assets	\$2,430	\$1,738	40%

Impairment of digital assets increased by \$0.69 million for the year ended December 31, 2020 as holdings of digital assets increased and price volatility increased during the market turbulence associated with the COVID-19 pandemic.

Gains on Sale or Transfer of Digital Assets

	For the year ended December 31,		
	2020	2019	Percent Change
	(amounts in thousands)		
Gains on sale or transfer of digital assets	\$5,017	\$3,118	61%

Gains on digital assets increased by \$1.90 million for the year ended December 31, 2020 as digital asset prices generally appreciated at a greater rate in 2020 versus 2019.

Interest Income

	For the year ended December 31,		
	2020	2019	Percent Change
	(amounts in thousands)		
Interest income	\$80	\$55	45%

Interest income increased by \$0.02 million for the year ended December 31, 2020 due to increased yields on certain holdings.

Liquidity and Capital Resources

Sources of Funds

Exodus has funded operations almost entirely through API Fee revenues.

The following table summarizes Exodus's cash flows for the periods indicated:

	For the year ended December 31,	
	2020	2019
	(amounts in thousands)	
Net cash provided by (used in) operating activities	\$ 2,668	\$(2,409)
Net cash used in investing activities	\$(2,043)	\$(1,169)
Net cash provided by (used in) financing activities	\$(1,386)	\$ 220

Net cash provided by operating activities for the year ended December 31, 2020 was \$2.7 million. Net income of \$8.2 million offset by a \$4.2 million increase in digital assets were the primary drivers of the change.

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We also saw an increase of \$5.0 million in current assets primarily due to the \$2.8 million prepayment of various expenses in late 2020, which was offset by non-cash stock-based compensation of \$1.3 million and changes to accounts payable and income tax payable of \$0.69 million, \$0.91 million in deferred tax asset, and \$0.74 in depreciation and amortization.

Net cash used in operating activities for the financial year ended December 31, 2019 was \$2.4 million. We used \$1.2 million of cash to capture significant discounts on our cloud hosting services in December 2019. Additionally, our digital assets increased \$2.2 million. This was offset by non-cash stock-based compensation of \$1.3 million. Approximately \$0.6 million of cash was used for 2018 income tax.

Net Cash from Investing Activities

Exodus's investing activities have consisted primarily of purchases of fixed assets and the creation of internal use software. Net cash used by investing activities for the year ended December 31, 2020 was \$2.0 million. This consisted of a \$0.14 million purchase of PP&E, as well as \$1.9 million of internal use software.

Net cash used by investing activities for the financial year ended 2019 was \$1.2 million. This consisted of a \$0.4 million purchase of PP&E, as well as \$0.8 million of internal use software.

Net Cash from Financing Activities

Exodus's primary financing activities for the periods covered was the use of a bank loan to purchase company vehicles and payments for deferred offering costs. In November 2020, this bank loan was paid off in full. Deferred offering costs total \$1.2 million as of December 31, 2020.

Material Capital Commitments

Exodus currently has no material commitments for capital expenditures.

Off-Balance Sheet Arrangements

Exodus did not have any off-balance sheet arrangements during any of the periods presented.

Critical Accounting Policies and Estimates

Exodus's management's discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported revenue generated and expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. We believe that the accounting policies discussed below are critical to understanding our historical and future performance, as these policies relate to the more significant areas involving management's judgments and estimates.

Revenue Recognition

We apply the provisions of ASC 606 to determine the measurement of revenue and the timing of when it is recognized. Under ASC 606, revenue is measured as the amount of consideration we expect to be entitled to, in exchange for transferring products or providing services to our customers, and is recognized when performance obligations under the terms of contracts with our customers are satisfied. ASC 606 prescribes a five-step model for recognizing revenue from contracts with customers: (1) identify contract(s) with the customer; (2) identify the separate performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the separate performance obligations in the contract; and (5) recognize revenue when (or as) each performance obligation is satisfied.

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Exodus recognizes various charges to API providers which are based on user interactions conducted through APIs as revenue. Currently, we and/or our subsidiary have API agreements with providers of cryptocurrency-to-cryptocurrency exchanges, fiat-to-cryptocurrency conversions, cryptocurrency staking, and sports betting. We allow the providers to provide software services which permit a user of our un-hosted and non-custodial crypto asset software wallet to access the services of the provider through the APIs. Under the terms and conditions of the agreements, Exodus and the providers have integrated the APIs into the Exodus Platform. In consideration for the integration by Exodus of the APIs into the Exodus Platform software, exchange providers pay us an API fee for certain user interactions with API. These interactions are typically transactions of services between provider and a user, effected through the API.

For transaction-based API fees, the transaction price is allocated per qualified interaction between the provider and the user. As each interaction occurs, we recognize revenue. With the majority of our revenue being transaction-based, our revenue can vary significantly based on the type and number of interactions that occur each day. We believe that there will be additional demand for the API services in the future as a greater number of people begin to use cryptocurrencies. We anticipate that proceeds from the API fees, if and when recognized as revenue under our current accounting policy (or if and when recognized as revenue under an appropriate future accounting policy) will continue to generate the majority of our revenue for the foreseeable future.

For non-transaction-based API fees, we recognize revenues based on performance obligations in the underlying contracts having been identified, priced, allocated, and satisfied. No non-transaction-based fees were recognized until July 2020.

Value of Crypto Assets

In December 2019, the Association of International Certified Public Accountants (“AICPA”) produced a nonauthoritative practice aid titled, “Accounting for and auditing of digital assets.” The practice aid discusses initial classification, ongoing valuation and measurement, as well as sales of digital assets.

There is also no currently authoritative literature under GAAP that specifically addresses the accounting for crypto asset holdings, including digital assets like Bitcoin. We have determined that crypto assets should be classified as intangible assets with indefinite useful lives; as such, they are recorded at their respective fair values as of the acquisition date. We do not amortize intangible assets with indefinite useful lives. We review indefinite-lived intangible assets at least monthly for possible impairment. We recognize impairment on these assets caused by decreases in market value based upon quoted prices for identical instruments in active markets. In addition, indefinite-lived intangible assets are reviewed for possible impairment between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of the indefinite-lived intangible assets below their carrying values.

We evaluated digital assets for impairment by using publicly traded prices of Bitcoin and other crypto assets in order to determine the fair value of digital assets. During 2020 and 2019, impairment charges of \$2.4 million and \$1.7 million, respectively, were recorded in our consolidated statements of operations and comprehensive income (loss).

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The table below outlines the value of our digital assets based on publicly available rates as well as the book value.

	Bitcoin (BTC)	
	As of December 31,	
	2020	2019
Units	694	513
Book Value (in thousands)	\$ 7,159	\$3,382
Market Value (in thousands) ⁽¹⁾	\$20,141	\$3,691

	Ethereum (ETH)	
	As of December 31,	
	2020	2019
Units	1,613	809
Book Value (in thousands)	\$ 498	\$ 64
Market Value (in thousands) ⁽¹⁾	\$1,190	\$105

	Other Digital Assets	
	As of December 31,	
	2020	2019
Units	21,688	17,869
Book Value (in thousands)	\$ 11	\$ 31
Market Value (in thousands) ⁽¹⁾	\$ 15	\$ 46

(1) Market rate represents a determination of fair market value derived from publicly available information.

Software Development Costs

We apply ASC 985-20, *Software—Costs of Software to Be Sold, Leased, or Marketed*, in analyzing our software development costs. ASC 985-20 requires the capitalization of certain software development costs subsequent to the establishment of technological feasibility for a software product in development. Software development costs associated with establishing technological feasibility are expensed as incurred. Technological feasibility is established upon the completion of a working model. Based on our software development process, the working model is almost immediately placed in service. As such, we have not capitalized any costs under ASC 985-20.

We apply ASC 350-40, *Intangibles—Goodwill and Other—Internal Use Software*, in review of certain system projects. These system projects generally relate to software not hosted on our Users' systems, where the User has no access to source code, and it is infeasible for the User to operate the software themselves. In these reviews, all costs incurred during the preliminary project stages are expensed as incurred. Once the projects have been committed to and it is probable that the projects will meet functional requirements, costs are capitalized. These capitalized software costs are amortized on a project-by-project basis over the expected economic life of the underlying product on a straight-line basis, which is typically three years. Amortization commences when the software is available for its intended use.

We account for website development costs in accordance with ASC 350-50, *Website Development Costs*. We capitalize internally developed website costs when the website under development has reached technological feasibility. We amortize these costs over an estimated life of three years.

BUSINESS

Overview of Our Business

Our mission is to ignite an exodus from the traditional banking system by empowering people to secure, manage and use their crypto assets. On December 9, 2015, we launched the Exodus Platform for holding and using their crypto assets, and every two weeks since our launch, we have released new updates that continued to develop, build on and improve the Exodus Platform.

We believe that crypto assets should be easy to use and easy to understand. Crypto assets have the potential to profoundly change the way society does business, manages its wealth and even looks at money itself—but unlocking these possibilities first requires that crypto assets be made accessible and engaging, without technical jargon or complexities obscuring the core features, benefits and uses of crypto assets.

We are relentlessly focused on delivering the best customer experience in the blockchain and crypto asset industry. We have built a platform that brings together a simple, elegant and intuitive interface with powerful functionality—including support for over 100 crypto assets, integrations with seven crypto-to-crypto exchanges and integrations with third-party applications, such as Compound Finance and SportX (both described below).

Our Industry

We operate in the financial technology subsector of the greater blockchain and crypto asset industry, and our customers are both experienced people and entities familiar with this technology and those new to financial solutions powered by blockchain technology and crypto assets. The following are descriptions of key technology used in our industry.

Blockchain Technology

Blockchain technology utilizes an open, distributed ledger managed by a peer-to-peer network to record transactions between parties linked to the blockchain. The Bitcoin blockchain, and other blockchains, such as those of Ethereum and Litecoin, can be thought of as public record books of crypto asset transactions. These record books are “decentralized” or stored on multiple computers around the world.

For example, the Ethereum Blockchain is a distributed public blockchain network focused on running the programming code of decentralized applications. These decentralized applications use self-executing contracts, also known as smart contracts, to seamlessly facilitate activities on the Ethereum Blockchain. The smart contracts on the Ethereum Blockchain are powered by Ether, the Ethereum Blockchain's native digital crypto asset, which is also traded as a crypto asset.

Accessing multiple blockchains and decentralized applications typically requires downloading complicated software specific to each blockchain. Additionally, access to these blockchains requires complicated configuration decisions that only technically skilled specialists can execute. Further, methods of storing and leveraging crypto assets are fractured across many different platforms and software systems, instead of being neatly organized in one location or hub. As a result, blockchain technology has a reputation for being difficult to access and use, and the current options for managing crypto assets do not provide integrated or seamless solutions.

Crypto Assets

Crypto assets are digital assets that exist on a particular blockchain and can be moved from one party to another party on that blockchain. There are different types of crypto assets, as some crypto assets represent stakes in a particular project, some add functionality to blockchain-based platforms, and some are intended to function like currencies, such as Bitcoin, and do not represent a stake in a particular project or company. Crypto assets are directly held by their owners and are immediately transferable, subject to applicable law.

There are six primary categories of crypto assets:

- Store of value crypto assets are primarily used to pay for goods and services and are often considered a substitute for gold, cash, or forms of electronic payment. Merchants have begun to accept these types of crypto assets as payment, although often the crypto asset is converted to a fiat currency, such as the U.S. dollar, immediately upon acceptance by the merchant. Examples of store of value and payment crypto assets are Bitcoin and Litecoin.

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- Crypto assets that comprise part of a blockchain economy or blockchain platform typically have more functionality than a payment currency. Blockchain economies permit the use of the crypto asset to create other digital assets, or tokens, run decentralized applications on the blockchain platform and build various types of functionality and features on the blockchain platform. Examples of crypto assets that are part of blockchain economies include Ether, EOS and TRON.
- Privacy coins are crypto assets created to focus on privacy and security. Privacy coin transaction details are typically encrypted, so that only the sender and receiver of the coins knows how many coins were involved in the transaction. In addition, the balance of a privacy coin wallet is known only to the owner of the wallet and is not able to be viewed on the public blockchain record. An example of a privacy coin is Monero.
- Utility tokens are digital tokens used solely to power or connect to a blockchain-based product or service. These crypto assets run on their blockchain platform but are only used to “pay for” or “power” products or services on that platform. Examples of utility tokens include Golem and Basic Attention Token.
- Stablecoins are crypto assets whose value is tied to some other asset so that the value of the stablecoin will not greatly fluctuate relative to the underlying asset. Different stablecoins have adopted different methods of stabilization. Examples of stablecoins are USDC and DAI.
- Certain crypto assets allow holders to interact with the crypto asset through “staking.” In doing so, the staker takes part in the crypto asset’s blockchain consensus mechanism and receives part of a reward for such participation. Third-party entities monitor staking pools or create their own so as to provide stakers with a controlled, safe environment to stake crypto assets and receive their rewards. An example of a crypto asset that can be staked is Tezos.

Each crypto asset is stored on that crypto asset’s particular blockchain. The blockchain used by each crypto asset keeps a record of which addresses on that blockchain hold the crypto asset and the amount of crypto assets each address holds. A private key is required to access the crypto assets held at any single address. Only the person with the private key can access the crypto assets at the associated address.

Private and Public Keys

In order to send crypto assets from a blockchain address, a private key is required to “unlock” those crypto assets. The private key will allow its holder to access and spend the crypto assets located at a particular blockchain address. Anyone who holds a private key can access the crypto assets located at that blockchain address. If the holder of the assets loses or gives someone their private key, their assets are at risk. Public keys identify a particular blockchain address, but do not enable that address to be unlocked. Instead, public keys act like a mailing address, so that a user can send a crypto asset to the “address” provided by the public key. Therefore, if one wants to receive crypto assets from someone else, one must give the other party their crypto address by giving the other party their public key.

Key Management Solutions: Custodial vs. Non-Custodial

The person or entity that holds the private key for a public wallet address controls the asset stored in that wallet. Private key management solutions generally fall into two broad categories, custodial and non-custodial key management:

- Custodial key management: In this structure, a company or platform generates the private keys for their customers and administers any and all funds sent to the addresses tied to those private keys. Custodial key management solutions become custodians of their customers funds and in that respect are extremely similar to centralized banks.
- Non-custodial key management: In this solution, a person or entity generates (using software or other means) and secures (often on their own computer or written down on a piece of paper) their own private keys and all funds are sent to the address tied to those private keys. Non-custodial key management solutions are not custodians of their users’ funds, but are merely repositories for the funds, similar to the way a physical safety box or leather wallet provides a means for people to secure their own wealth.

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While today the majority of people use custodial key management solutions, we believe that custodial key management solutions serve merely as a temporary bridge between traditional institutionalized financial systems and the financial freedom offered by complete non-custodial control over one's crypto assets.

Blockchain-based Financial Technology

Clunky interfaces, long clearance times for transactions and an inability to control one's own assets are hallmarks of the traditional banking system. While the traditional banking system does offer protection against hacking through devices such as FDIC insurance, banks are always answerable to governments or other powerful actors, who retain the ability to freeze or take control of a customer's bank assets. Moreover, even if banking services or similar services such as custodial wallets could be trusted, their interfaces are cumbersome to use and are still subject to various archaic restrictions—for example, no services offered during the evening, weekends or on bank holidays. When these institutions are offline, customers cannot get customer support, make transfers, trades or payments and must wait for earlier transactions to clear. As a result, customers must rely on antiquated institutions that operate on limited and often inconvenient schedules, while hoping that these institutions can be trusted to hold a customer's assets, instead of being able to manage their own assets on their own schedule.

Non-custodial holding of crypto assets offers consumers a payment option that does not rely on the traditional banking system. We believe that, as more people become interested in and begin to hold crypto assets, they will look for new ways to interact with their crypto assets. Crypto assets have significant advantages over traditional fiat currency, particularly when used on non-custodial platforms. Unlike fiat currency held in traditional banks, crypto assets on non-custodial platforms are designed to be available at all times. A non-custodial system is designed not to have limited operating hours, restrictions on when markets open and close, or bank holidays. Crypto assets can also be transferred in real time, as the underlying technology is designed to avoid lengthy settlement periods, and, if transactions complete successfully, crypto assets will always end up at the wallet address to which they are sent with a proof of receipt forever etched in the blockchain, which functions as a public ledger. Most importantly, holders of crypto assets control their funds. They do not need to rely on any bank or custodian entity to provide access to their own assets.

Wallets

Software-based technology allows users to manage their private keys that grant access to their crypto assets. This technology is known as a wallet. Wallets do not actually store crypto assets the way one might store a twenty-dollar bill in a physical leather wallet. Rather, the crypto assets remain stored at a particular blockchain address on the relevant blockchain, as described above in “—*Private and Public Keys*,” and wallets allow users to manage the private keys that grant access to the blockchain addresses where their crypto assets are stored.

There are two recognized categories of wallets: hot wallets and cold wallets. Hot wallets are connected to the internet in some way. They typically reside on a website, desktop, or inside a mobile phone, with the holder's private keys stored digitally. Typing one's private key into a hot wallet will “unlock” the crypto assets stored at the address identified by the private key and the user can then access the crypto assets. Cold wallets are physical devices, not connected to the internet, that store the holder's private keys. Generally, crypto assets stored in hot wallets are more easily accessible, but hot wallets are susceptible to being hacked and therefore are considered a less secure wallet. The downside to using cold wallets is that they are not as easily accessible, and so are typically used only for long-term storage of crypto assets.

While there are a variety of wallets available to manage the private keys that govern crypto asset holdings, many of them have serious design and functionality issues. Often wallets have clunky and cumbersome interfaces, better suited to people very familiar with coding and computer processing than to consumers who want a straightforward, easy-to-use interface. In addition, many wallets do not cover a sufficiently wide variety of crypto assets, thereby requiring customers to maintain different wallets for different crypto assets. For wallets that offer services such as the exchanging of one crypto asset for another, these services may be clunky and difficult to use. Finally, and most significantly, wallets are often maintained as centralized exchanges, where the company that controls the technology of the wallet holds onto the private keys, thereby giving the wallet creator control over the funds that can be accessed with those private keys.

Our Solution — The Exodus Platform

We built the Exodus Platform to give our customers the power to quickly secure, control, and manage their digital wealth. Our platform allows our customers to store and access their crypto assets in a non-custodial,

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secure environment that only they control on their desktop and mobile devices while delivering a simple, elegant and intuitive experience. Our platform is intended to provide the trustworthiness of your bank's online portal without service windows and clunky interfaces, and the speed of centralized crypto exchanges without the risk of third-party custody – we aim to provide our customers with the best of both worlds in Exodus.

The Exodus Platform allows our customers to leverage the power of crypto assets in an easy and straightforward way, without compromising privacy or the security of their crypto assets. We accomplish this by:

- helping to ensure that our customers retain full control over the crypto assets held in their Exodus wallet by encrypting the private keys locally on our customers' own devices;
- streamlining customer set up process for transacting in over 100 crypto assets, as well as offering a range of wallet options to hold customers' private keys (including hot and cold wallets) so customers can quickly access the features they want without being distracted by unnecessary or confusing technical information;
- hosting and maintaining our own robust server infrastructure to ensure near 100% uptime, 24/7, for all crypto assets and services offered on our platform;
- integrating cutting-edge third-party apps seamlessly into our highly functional platform to provide our customers with a rich ecosystem of ways to use and manage their crypto assets, as well as providing us with potential additional avenues for monetizing our platform;
- producing reliable, straightforward information on our website and YouTube channel regarding blockchain cryptography, crypto assets and our platform that is relevant for both new and experienced crypto asset users;
- providing fast and smooth purchasing of crypto assets using fiat currency through Apple Pay on iOS devices (our customers can purchase up to USD \$500 of Bitcoin at the touch of a button, which is made available on their Exodus wallets immediately); and
- continually adapting and innovating the Exodus Platform to support our customers' ability to store other types of valuable assets, including personal information, traditional fiat currencies, and, potentially, traditional securities in tokenized form alongside other tokenized financial products in the future.

Our Growth Strategy

Key elements of our growth strategy include:

Continuing to Enhance Our Platform's Capabilities and Performance.

We continue to invest in product development to enhance the functionality and usability of the Exodus Platform. Our platform currently supports over 100 crypto assets, and we continue to explore enhancements that will allow users to leverage these assets to their benefit. We also continually seek out opportunities to improve our platform's user interface and user experience in order to promote customer engagement and increase the attractiveness of our platform. For example, we have implemented the use of payment "usernames" so that customers can send or receive crypto using an address as simple as a Twitter handle instead of a 58-character string of letters and numbers.

Integrating a robust onramp to bridge our customers' legacy financial systems with opportunities available through the Exodus Platform.

We believe that, over time, traditional financial assets, services, and experiences will migrate to using blockchain technology. We also believe that people and entities will want the flexibility to keep their wealth in crypto assets, particularly Bitcoin, Ethereum and stablecoins, instead of only keeping wealth in fiat currencies. Currently, products do exist to permit customers to migrate from fiat currency to crypto assets; however, they are often slow, contain software bugs, and require customers to fill out lengthy and repetitive know-your-customer and anti-money laundering questionnaires. In addition, these products are not cross-compatible, meaning that if a customer wants to use services on two separate platforms requiring similar identity documents, the customer will need to enter the same information twice. On the Exodus Platform, customers will have the option to encrypt and

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store their identity documents alongside their private keys. Through our auto-fill solution, once a customer enters identifying information into the know-your-customer and anti-money laundering forms for one of our API providers, the customer will have the ability to automatically upload and send the information to any other API provider who requests that information. This allows our customers to enjoy a seamless and easy experience in the Exodus Platform, and allows our API providers to obtain the information they need to provide our customers valuable services.

Continuing to Grow Our App Store.

We operate a proprietary “app store” that hosts applications, or apps, which are developed by our third-party API providers and accessible through our platform. These apps currently include the following:

- The Exchange Aggregator allows users to swap one crypto asset for another within the Exodus Platform without having to send assets to and from centralized exchanges or trade across multiple order books. For example, if a customer wants to swap Digibyte for DASH inside of Exodus, this trade can be easily executed, while on a centralized exchange, a customer would have to trade Digibyte for Bitcoin and then Bitcoin for DASH. Through the Exodus Platform, customers can access the ability to directly exchange over 10,000 pairs of crypto assets.
- The Compound Finance app permits Exodus Platform customers to use an algorithmic smart contract protocol to earn interest (in the form of additional crypto asset tokens) on certain supported crypto assets held in their Exodus wallets.
- SportX allows users in certain jurisdictions outside of the United States and its territories to place wagers on select sporting events using a third-party smart contract protocol on the Ethereum Blockchain. SportX is only available to our customers outside the United States and its territories, in jurisdictions where online sports gambling is permitted by applicable law. All gambling activities conducted through SportX are operated by SportX’s developer, NextGen, and we do not set odds, place or accept bets, pay out winnings or otherwise facilitate, operate or manage any gambling activities conducted on SportX.
- Rewards allows users to “stake” supported crypto assets held in their Exodus wallets by participating in blockchain validation through a third-party entity that monitors or creates staking pools.

To encourage additional third parties to build apps for the Exodus Platform, we are developing what we believe will be a groundbreaking, secure method by which third-party API providers will be able to integrate their proprietary apps onto the Exodus Platform. Our goal is to allow new apps to seamlessly connect with our millions of customers in a visually beautiful and easy-to-use interface that risks no customer funds.

Offering Our Digital Format Common Stock.

We have developed the Exodus Platform to facilitate customers independently holding their crypto assets as an alternative to traditional centralized financial institutions. Once customers are able to easily hold their crypto assets, we seek to expand the opportunities for customers to manage and interact with those assets. As part of that goal, when we decided to sell shares of our Class A common stock in this offering, we believed it would go against the fundamental principles of our business if we were to use traditional stock certificates. Instead, shares of our Class A common stock will be represented in digital format by our Common Stock Tokens. The Common Stock Tokens are a representation of how many shares of Class A common stock are owned by an individual, and a holder can reasonably expect that the digital stock record created by the Common Stock Tokens is correct, but the Common Stock Tokens are not actual shares. We are creating several apps in our app store to facilitate these Common Stock Tokens, and are exploring the possibility of offering versions of these apps for other companies who might also be interested in issuing their securities with a digital representation instead of a traditional stock certificate. For further information on our Common Stock Tokens and the new apps which we will add to our app store, please see “*Plan of Distribution.*”

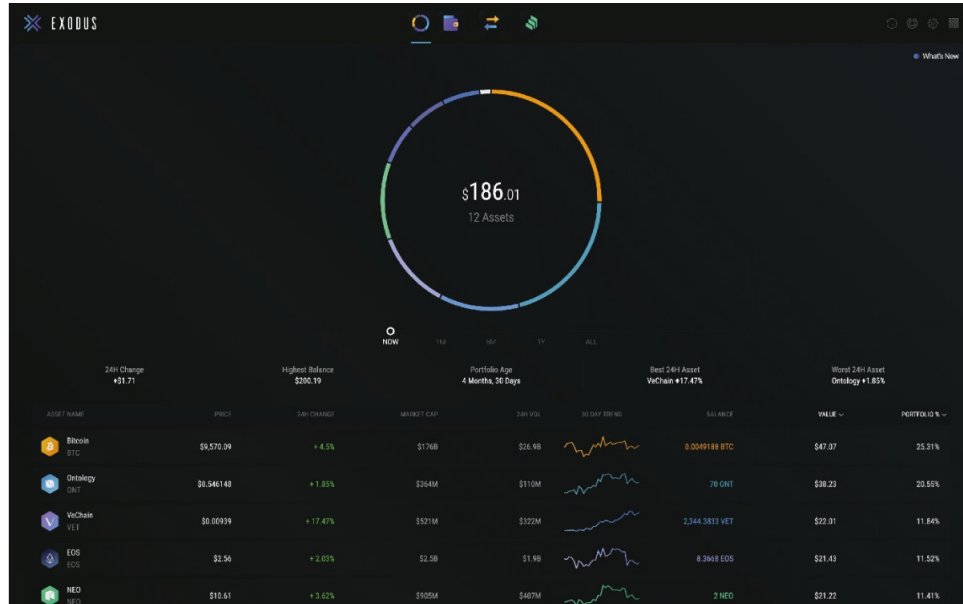
The Exodus Platform

The Exodus Platform provides an easy-to-use interface that enables our customers to manage their crypto assets on their desktop computers and mobile phones or transfer their assets to physical storage devices such as Trezor for added security. The Exodus Platform is non-custodial, meaning that our customers’ private keys are

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encrypted locally on their own devices and Exodus can never access or take control of our customers' funds. Since the creation of the Exodus Platform, we estimate that we have had approximately 1.25 million users with funded wallets across our desktop and mobile platforms. We offer the desktop version of the Exodus Platform to customers as a free download. We derive our revenues from API integration fees (both transaction- and non-transaction-based) that we charge to third parties who develop applications that our customers can access from the Exodus Platform through an API.

Each crypto asset within the desktop platform or mobile app will look and feel similar so that customers have the same experience sending and receiving any crypto asset. For some crypto assets, the platform has advanced options allowing customers to customize how they experience that specific crypto asset. Within each crypto asset there is a display for the balance of the crypto asset and the current fiat balance of that asset. From the wallet, customers can send crypto assets in one click by scanning a QR code or pasting an address. Customers can similarly receive crypto assets by scanning their unique QR code or address. The simplicity of the design allows even those who are new or unfamiliar to crypto assets to easily send or receive assets securely.



To access a specific crypto asset in either the desktop or mobile versions, a customer must enable the asset. Enabling an asset will add it to the customer's portfolio so that they can view its market information, send and receive the asset, and exchange the asset. Certain crypto assets may be enabled by default.

Every two weeks we deliver updates across the Exodus Platform. This allows us to continue to provide a secure, exciting and well-designed crypto experience for our customers. Customers who would like to have access to their Exodus Platform on their mobile phone and desktop can sync the two wallets by scanning their unique QR code within their desktop wallet from their mobile phone. After a quick update on the phone, the two products will be synced so that any changes show up simultaneous in both products.

We provide online self-help information and 24-hour customer support via email to address and answer customer questions quickly and efficiently. Customers can access our support team at any time, or review our hundreds of support articles, some of which are ranked by Google and appear on the first page of a Google search for the relevant term. If more support is needed, our customers can write us an email and we will either provide a written response or hold a live audio- or video-call to troubleshoot the issue. In addition, customers

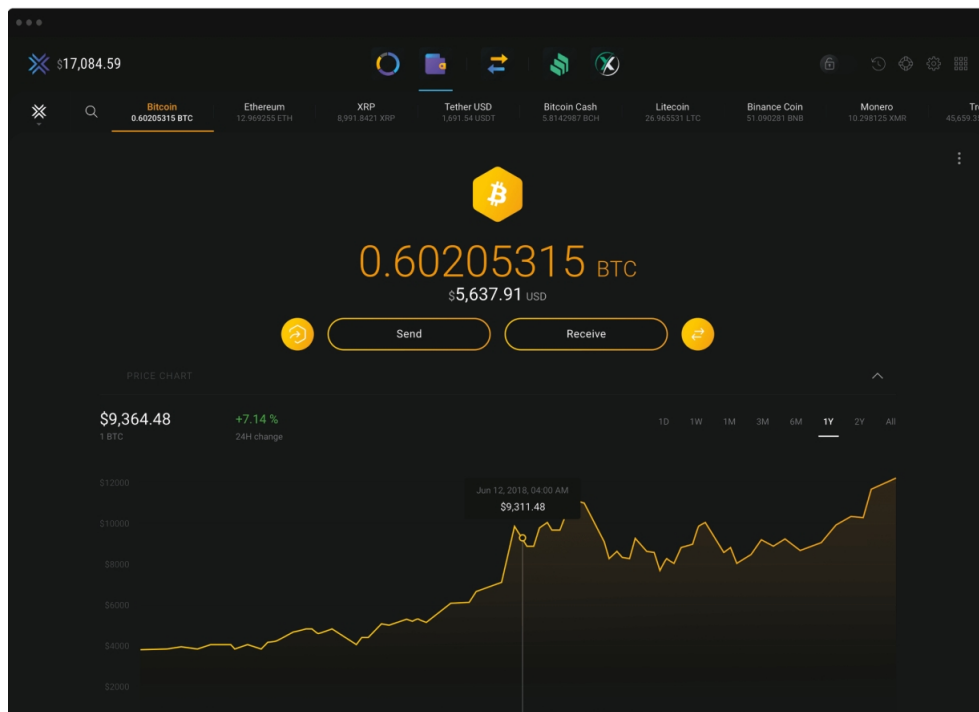
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can send an optional Safe Report, a tool we developed to help us pinpoint technical issues without compromising security, through the mobile app to provide troubleshooting details to our team. Because we are a fully remote company, with team members around the world, we are able to provide seamless around-the-clock support for our customers.

Our desktop platform

Our desktop platform was first released in December 2015 to address an underserved market opportunity by allowing customers to access advanced wallet technology on the desktop. From February 2020 through January 2021 our website averaged approximately 281,000 visitors per month, with a ratio of visits to unique clicks to download the desktop platform of 20%. As of January 31, 2020 we had a cumulative total of over 1.2 million unique clicks on our website to download our desktop platform. In 2020, approximately 45% of people who downloaded our desktop platform have activated it, resulting in 354,000 new customers. We have continually achieved this ratio with extremely limited marketing spend. A customer can easily download the desktop version of the Exodus Platform from our website, open the desktop wallet once downloaded and immediately begin managing crypto assets, with no registration or log-in information required.

To access their active crypto asset wallets, customers go to the wallet tab on the left column of the desktop platform. Customers can then easily search for the wallet of a particular crypto asset by using the search function, and within the wallet for a crypto asset, send and receive the particular asset to or from others by using the individual QR code or wallet address. The wallets for each crypto asset are designed so that customers can have a seamless experience as they toggle between crypto assets without any confusion.



The platform also provides important information for customers regarding market data and the performance of the assets they hold, as well as a full transaction history in each crypto asset. From the portfolio tab of the home screen, a colorful ring graphically displays a portfolio breakdown by asset of all holdings in the wallet. The portfolio page also provides details that help a customer gauge the overall performance of their wallet, such as a 24-hour change section displaying the overall daily gains and losses, the wallet's highest balance, the age of

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the portfolio, and the best and worst performing assets within the portfolio. Below the portfolio details for the wallet, there is a display of live market data for each asset enabled within the wallet. The transactions tab displays the wallet's transaction history in one place. Transactions can be filtered by type (e.g. sent or received) and by the identity of the individual asset itself. Clicking on a specific transaction reveals more details about it: for example, the transaction ID becomes viewable as a link. Clicking the link then allows the customer to view that transaction as it is recorded on the blockchain. Our mobile platform provides a similar experience for customers to view a breakdown of their portfolio and transaction history.

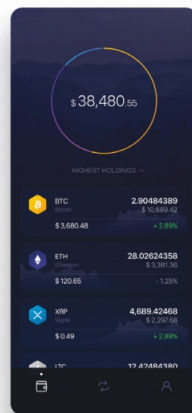
To update the desktop wallet as our biweekly update is released, customers simply click on the banner notification. Clicking this banner easily allows our wallet holders to stay up to date with the latest Exodus developments. While our product does not require registration or login information, a backup process provides customers with a 12-word secret phrase, allowing the customer to regain access to the funds in their wallet in the event that their desktop computer crashes, is lost, or is stolen.

Customers can also connect their Trezor hardware wallet to the desktop platform. The Trezor hardware wallet is an external device that allows users to manage crypto assets with the security provided by storing the crypto assets offline. The Trezor wallet connects seamlessly to Exodus software, so that crypto assets can be stored on and traded directly from the Trezor hardware wallet through the Exodus Platform interface.

Our mobile platform

The mobile version of our Exodus Platform is available on both iOS and Android platforms, and seamlessly syncs with the Exodus Platform desktop software so that transactions are completed in seconds and mirrored on the desktop platform. The mobile Exodus Platform has been downloaded approximately 1,600,000 times since its release in 2019. Since January 2020, approximately 373,000 customers activated the platform after downloading the mobile app, an activation rate of 30%. We offer the mobile version of the Exodus Platform to customers as a free download. As with the desktop version of the Exodus Platform, we derive our revenues from API integration fees (both transaction- and non-transaction-based) that we charge to third parties who develop applications that our customers can access from the Exodus Platform through an API.

The mobile app allows customers to manage their crypto assets with built-in security, including the mobile security of face or fingerprint scanning. As on our desktop platform, we encrypt private keys and transaction data to support customers' data privacy. Customers rarely have to manage or deal with the complex technicalities of blockchain-based crypto assets. Instead, our customers quickly and seamlessly deploy and interact with their crypto assets, while we and our API providers manage the complicated technology behind the scenes.



Unique to our mobile platform, in many jurisdictions iOS users can buy Bitcoin with fiat currency using Apple Pay. This functionality is provided by Wyre Payment, Inc (“Wyre”). Our API agreement with Wyre is consistent with API agreements we have entered into with our third-party app providers. Our agreement with

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Wyre states that Wyre will receive a transaction fee from each customer. For U.S. customers, Wyre receives a transaction fee equaling 2.9% of the amount charged to the customer in the transaction plus \$0.30 per transaction, and for non-U.S. customers Wyre receives a transaction fee equaling 3.9% of the amount charged to the customer in the transaction plus \$0.30 per transaction. Wyre must pay us a referral fee of 1.00% per transaction for all transactions engaged in by U.S. customers. Wyre pays these referral fees to us on a monthly basis. Although the referral fee is calculated in U.S. dollars, we receive payment in Bitcoin, based on the U.S. dollar value of Bitcoin on the date of payment. During the year ended December 31, 2020, 100% of referral fees were paid in Bitcoin, 0% in other digital assets and 0% in U.S. dollars. We do not receive any referral fee for transactions engaged in by non-U.S. customers. The term of our agreement with Wyre is one year and the agreement automatically renews for one-year terms unless written notice of the intent not to renew is provided at least thirty days prior to the expiration of the then-current term. Either party may terminate the agreement at any time upon sixty days written notice, and either party may also immediately terminate the agreement in the event of a breach of law or uncured breach of contract by, negligence, recklessness or willful misconduct by, or the bankruptcy of the other party, or if the API integration becomes prohibited by applicable law.

Similar to our desktop platform, customers can send, receive and exchange crypto assets within the mobile platform. Customers can also view the details of their entire portfolio, view all wallet activity including deposits, exchanges, and withdrawals, and view the status of any transaction by opening the order history drawer in the exchange section of the wallet.

Our App Offerings

Exodus began as a crypto wallet, with the main purpose of allowing customers to store crypto assets. Going forward, we believe that as crypto assets become more widely used, consumers will desire to have more functionality with their crypto assets. In 2020, we began to work with third parties to develop applications (“apps”) that will provide additional functionality for our customers. These apps allow our customers to interact with and use their crypto assets in new ways. Our first integrated application was the Exchange Aggregator, allowing customers to exchange one crypto asset for another crypto asset without leaving the Exodus Platform. As of December 31, 2020, our customers have exchanged approximately \$3.5 billion of crypto assets. Building on the success of the Exchange, we are now creating what we intend to be one of the most dynamic fintech-focused blockchain-based app stores.

Developing the crypto asset app store has allowed us to diversify our revenue streams, so as to not rely solely on the Exchange Aggregator as our primary revenue source. Each new app provides us with an opportunity to monetize user transactions involving crypto assets held in the Exodus Platform through commissions, subscription fees or other means. The Exchange Aggregator typically appeals to our customers who seek to take advantage of crypto market volatility and the movement of crypto asset prices. When the crypto markets are volatile, more customers want to exchange their crypto assets and, as a result, we receive more revenue from the Exchange Aggregator. When the crypto markets are less volatile, customers may be less inclined to exchange their crypto assets. The development of apps allows us to diversify our customer base, expand our product offerings and maintain more than one source of revenue. We believe that apps will be essential in bringing crypto assets into mainstream use, and exposing our customer base to crypto apps directly within the wallet will increase engagement and encourage them to continue using our products.

Each app in our app store is created using an API, which connects the Exodus Platform to a third-party server or third-party smart contract. An API is a shared connection through which the user of the app and the provider of the app’s functionality exchange information. This information allows the provider’s software to be accessed through the Exodus Platform. Customers of the Exodus Platform may send or receive information from the provider through the API. We build the interface for each app that appears in the Exodus Platform, but the app’s actual functionality is created and provided by one of our third-party providers, and our API agreements with our third-party providers govern the various aspects of that functionality. Our app integrations are currently prioritized based on our API providers’ readiness and design flexibility. We require providers that can meet both our technical and design requirements. When determining whether to integrate an app into our platform, one of our top priorities is ensuring a consistent, high quality customer experience by maintaining the Exodus interface and the ease of use that our customers expect from Exodus products. We also provide support for Exodus Platform concerns related to the applications.

We enter into API agreements with these third-party app providers, and the API agreements typically require the API provider to pay us certain fees in connection with the use of the API. These fees are paid in U.S. dollars,

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Bitcoin and other crypto assets. The majority of these payments are made in Bitcoin. The fiat currency value of all payments received in any form of crypto asset is calculated immediately upon receipt of the payment. The value of crypto asset payments received by Exodus are calculated in U.S. dollars and the value of crypto asset payments received by Proper Trust are calculated in Swiss francs. We calculate the value of the crypto asset payments into either Swiss francs or U.S. dollars based on publicly available pricing information provided by reputable public sources.

Upon receipt of payments from our third-party app providers, payments made in U.S. dollars are left in U.S. dollars. Payments made in Bitcoin are left in Bitcoin, but each month, we convert a portion of our Bitcoin holdings into U.S. dollars, with a general target of ensuring that half of our total cash holdings are held in Bitcoin and the other half in U.S. dollars. Payments made in a crypto asset other than Bitcoin are generally fully converted into Bitcoin upon receipt of the payment. When converting crypto assets to U.S. dollars, we use various markets, including over-the-counter desks that source liquidity from multiple exchanges.

The agreements with our API providers include representations by the API provider that it has all licenses, franchises, permits and other governmental authorizations that are legally required to enable it to conduct its business. In addition, our website terms of use stipulate that users of the users of the Exodus Platform are responsible for ensuring that any actions taken on the platform are done in compliance with U.S. and international securities laws. For additional information regarding potential risks we may experience due to actions by the API providers, our users or other third-parties, please see *“Risk Factors—Customers or third-party activities may subject us to liability or cause us to experience adverse political, business, and reputational consequences with customers, employees, third parties, government entities, and others”* and *“Risk Factors—Risk Factors Related to Regulation.”*

Our ability to monetize each application, and the method by which we do so, will vary depending on the specifications of the application. We may not enter into API agreements with API providers who do not pay us fees in connection with the use of the API. In addition to exchange aggregation, we have currently integrated two applications into the Exodus Platform. Currently, exchange aggregation is offered on both desktop and mobile platforms, while our other applications are currently offered only on the desktop platform. Those apps, described below, provide examples of the many possibilities for the future of the app store within our crypto wallet.

During 2020, three API providers individually generated \$8.1 million, \$4.5 million and \$5.8 million in revenues, representing in the aggregate approximately 86% of our total revenues during 2020. Our revenue in 2020 was derived primarily from non-U.S. jurisdictions, with 91% attributable to the APAC region, 5% attributable to EMEA region, 3% attributable to United States, and 1% attributable to Other Americas region.

The following apps are currently available through our crypto app store:

Exchange Aggregator

Customers of the Exodus Platform on our desktop and mobile platforms can send, receive and exchange crypto assets. We were the second platform to provide an API service between a non-custodial wallet and a third-party crypto-to-crypto exchange, and the first platform to offer exchange aggregation as a seamless experience for customers. Customers using the Exchange Aggregator simply choose the crypto asset they would like to own, the crypto asset that they currently own that they want to swap, confirm that the amount of the new crypto asset they will receive is correct, and click a button. Their order is automatically routed to the API provider that will provide the best price to the customer for that particular pair of assets being swapped. The provider will process the order in under an hour and deliver the exact amount of the new crypto asset to the customer. As a result, our customer experience is significantly simpler than that found on other wallets and saves the customer time spent searching through centralized exchanges and orderbooks. Additionally, we have developed proprietary software that allows us to work with multiple exchange providers, allowing wallet customers to maximize liquidity, pricing, order fulfillment time, and operating time in a way that we believe our competitors cannot match.

Within the exchange function on either the Exodus desktop platform or mobile platform, customers can easily swap one crypto asset for another crypto asset that the Exodus Platform supports. Unlike existing swap services, there is no account registration or tedious copy and pasting of addresses required to make such an exchange. To make an exchange, customers select the amount of a particular asset they want to send or receive. Above the exchange button, the customer can see exactly how much they are sending and how much of an asset

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they can expect to receive. Once the customer clicks exchange, the rate is locked in and customers can expect the requested asset to be delivered straight to the wallet. The exchange history button displays details of current and past exchanges.

Exodus does not operate any of the exchanges for crypto assets. Instead, we have integrated the exchange functionality into the Exodus Platform through API agreements with crypto-to-crypto exchanges. These agreements allow us to apply our streamlined interface to the functionality provided by third-party crypto-to-crypto exchanges, which provides users a more simplified process for exchanging crypto assets. The exchange function aggregates all of the exchanges with which we have agreements. When a customer initiates an exchange of crypto assets, the Exchange Aggregator through which the transaction will occur is determined by an algorithm on our platform which reviews the exchange rates offered by each exchange and selects the exchange with the best exchange rate. The exchange rates are updated every 30 seconds. Because of our streamlined approach to aggregating the exchanges and ensuring customers receive the best exchange rate, there is no need for customers to choose the specific exchange that will conduct their exchange. Customers will also be pushed to a specific exchange provider if there are jurisdictional limits that might prevent the customer from accessing other exchange providers.

We enter into API agreements with crypto-to-crypto exchanges that service users located in the United States and its territories. Our wholly owned Swiss subsidiary, Proper Trust AG, conducts our international operations by entering into API agreements with crypto-to-crypto exchanges that service non-U.S. jurisdictions. We do not have any other international subsidiaries or operations. With respect to crypto-to-crypto exchanges servicing users located in the United States and its territories, we have API agreements with n.Exchange, operated by Obron Corp, and Switchain, operated by Digital Assets Corporation. With respect to crypto-to-crypto exchanges servicing users located in non-U.S. jurisdictions, Proper Trust AG has API agreements with Changelly, operated by Fintechvision Ltd; ChangeHero, operated by Herofintechs Ltd; CoinSwitch, operated by Bitcipher Labs LLP; Fox, operated by Hyper Vision Ltd; n.Exchange, operated by Obron Corp; and Switchain, operated by Digital Assets Corporation.

API agreements with crypto-to-crypto exchanges that provide services to non-U.S. customers require our exchange API providers to pay us an API integration fee equal to two percent of the value of each transaction initiated through the Exodus Platform and routed through the provider exchange by our algorithm (the “**Exchange Integration Fee**”). The value of any given transaction is determined in Bitcoin and is based on the value of the crypto asset offered by a customer for exchange at the time the transaction is initiated, with payment due no later than two days after completion of the underlying transaction. Our API agreements with exchanges that provide services to U.S. customers provide for the payment of the Exchange Integration Fee for certain limited crypto assets, and also provide that, in addition to the Exchange Integration Fee received for certain limited crypto assets, we will also receive a flat monthly fee, ranging from \$66,500 to \$250,000 per month, regardless of actual transaction volumes. Such fees are payable to us in arrears twice per month. Our API agreements with crypto-to-crypto exchanges have indefinite terms and may be terminated by us or the counterparty exchange at any time upon seven days’ prior written notice. Either party may also immediately terminate the agreement in the event of a breach of law or uncured breach of contract by, negligence, recklessness or willful misconduct by, or the bankruptcy of the other party, or if the API integration becomes prohibited by applicable law.

Compound Finance

The Compound Finance app permits Exodus Platform customers to use an algorithmic smart contract protocol to earn interest (in the form of additional crypto asset tokens) on certain supported crypto assets held in their Exodus wallets. As of the date of this offering circular, DAI is the only crypto asset that is supported in the Compound Finance app.

Using the Compound Finance app, users can transfer DAI tokens into a token lending pool maintained by the Compound Finance smart contract protocol and, in exchange, receive cDAI smart contract tokens (“**cDAI**”). The Compound Finance smart contract protocol allows holders of cDAI to periodically receive additional cDAI, based upon a variable interest rate formula that is set forth in the smart contract protocol. Compound Finance permits users of the Compound Finance app to exchange their cDAI tokens back to DAI, thereby withdrawing their tokens from the Compound Finance token lending pool. No accounts are currently required for Exodus Platform users to use the Compound Finance smart contract protocol.

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At this time, no revenue is earned by Exodus from the Compound Finance app, and we do not receive any fees or payments of any kind from the Compound Finance app. We have not entered into any agreement with the provider of the Compound Finance app. The Compound Finance app was the very first app we integrated into the Exodus Platform and we continue to support it as a benefit to our customers.

SportX

SportX allows users outside the United States and its territories, in jurisdictions where sports gambling is permitted by applicable law, to place wagers on select sporting events around the globe (including e-sports) using a third-party smart contract protocol, which helps ensure that users' funds are protected and payouts are made on time. We believe users of SportX may adopt our future products at a higher rate than other users.

Within the SportX app, users can see a list of sporting competitions available for betting, place bets, view all current bets as well as the history of previous bets, and view their historical performance through key indicators such as total bets, win rate, and all-time profits and losses. Bets can only be placed using crypto assets held on the Exodus Platform—fiat currency cannot be used to place bets or receive winnings—and are held in escrow through SportX's smart contract protocol until a winner is determined.

SportX was developed and is operated by NextGen, a software company. Our wholly owned Swiss subsidiary, Proper Trust AG, and NextGen entered into an API agreement to integrate the SportX API into the Exodus Platform. The integration allows Exodus to apply our interface to SportX, a separate software application, and include the SportX logo on the Exodus Platform. Exodus personnel outside of the United States create, design, code and manage security for the user-facing end of the SportX application within the Exodus Platform, but are not involved in running the SportX platform or involved with the betting process. All gambling activities conducted through SportX are managed and operated by NextGen. We do not set odds, place or accept bets, pay out winnings or otherwise facilitate, operate or manage any gambling activities conducted on SportX. NextGen is the developer and operator of SportX, and Exodus provides a connection via an API to SportX so that Exodus customers in approved jurisdictions can access SportX through the Exodus Platform. In exchange for integrating the SportX API into the Exodus Platform, NextGen pays a monthly integration fee to Proper Trust AG equal to three percent of the net winnings in digital assets, if any, that a customer earns from the customer's gambling activities initiated through the API that connects the Exodus Platform to NextGen's SportX platform. During the fiscal year ended December 31, 2020, 0% of these fees were paid in Bitcoin, 100% in other digital assets (DAI), and 0% in U.S. dollars (as payments in U.S. dollars are not permitted under the terms of the API agreement with NextGen). The agreement between Proper Trust AG and NextGen has an indefinite term and may be terminated by either party, in whole or in part, for any reason, with ninety (90) days prior written notice. Either party may also immediately terminate the agreement in the event of a breach of law or uncured breach of contract by, negligence, recklessness or willful misconduct by, or the bankruptcy of the other party, or if the API integration becomes prohibited by applicable law.

Users of SportX must be located in a permitted jurisdiction. We limit the availability of SportX through the Exodus Platform by blocking IP addresses originating in jurisdictions which may prohibit the offering of online gambling to its residents or to any person within such jurisdiction ("**Prohibited Jurisdictions**") from using the application. We have also geo-blocked IP addresses originating in such jurisdictions so that the platform is inaccessible. We will use these processes to prevent potential users in Prohibited Jurisdictions from accessing SportX through the Exodus Platform and, pursuant to our agreement, NextGen has agreed that it will take substantially similar steps to block potential users from Prohibited Jurisdictions from using SportX. Additionally, we have separated the members on our team so that only those located in permitted jurisdictions may interact with and work on the SportX application. For example, customer service issues related to SportX involving an Exodus Platform issue will be routed to an Exodus employee in a permitted jurisdiction, and customer service issues related to the SportX platform itself will be routed to SportX and Exodus employees will not be involved in resolving the issue.

Rewards

The Exodus Rewards App connects its customers through an API with Everstake, an entity that allows Exodus customers to engage in "staking." By engaging in staking, customers can earn rewards from the blockchain on which the customer creates their "stake."

The concept of "staking" comes from the consensus mechanism called "proof of stake." All blockchains function by relying on miners who must validate the transactions written to the blockchain. In order to validate

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these transactions, miners use a consensus mechanism. There are different forms of consensus mechanisms, but they all require miners to engage in some form of activity to validate, or approve or disapprove, data and transactions before storing them. It is this action of validating transactions that makes a blockchain faultless. Blockchains that use the “proof of stake” consensus mechanism require their miners to create a “stake” of some amount of the crypto asset that is native to that blockchain, and then “lock” that stake by delegating the crypto asset to a wallet that participates in a staking pool. In general, the miner with the highest amount of staked crypto assets will serve as the validator for the next block on the blockchain, and receives a reward of some amount of that blockchain’s native crypto asset. Certain blockchains that use “proof of stake” permit other holders of the blockchain’s native crypto asset to permit miners to use some amount of the holder’s crypto asset for staking. If a miner uses the crypto assets of another holder and is chosen as the validator and receives a reward, the miner will give some of its reward to the holder whose crypto assets the miner used.

The technological process for allowing a miner to use another holder’s crypto assets is extremely complicated to undertake as an individual crypto asset holder. Therefore, Everstake has created a mechanism by which an individual holder of certain crypto assets that can be staked (currently Tezos (XTZ) or Cosmos (ATOM)) can permit Everstake to stake the holder’s crypto assets on the holder’s behalf. The holder retains full control and ownership of the crypto assets, and can unstake them at any time, and Everstake passes on to the holder any rewards earned by the holder’s stake.

Exodus has entered into an API agreement with Everstake, operated by Attic Lab LLC. Customers of the Exodus Platform will be able to access the Rewards app within the Exodus Platform, and delegate certain crypto assets, currently limited to Tezos (XTZ) or Cosmos (ATOM), to participate in staking and receive the resulting rewards. Exodus receives an API integration fee equal to four percent of the rewards, if any, that a customer earns from a staking transaction initiated through the Exodus Platform. The integration fee is paid to Exodus in the digital asset used by the customer to engage in the staking transaction, which is limited to Tezos (XTZ) or Cosmos (ATOM) or such other crypto asset as may be agreed to in writing by Exodus and Everstake. The term of the agreement is indefinite and may be terminated for any reason by either party upon seven days advance written notice. Either party may also immediately terminate the agreement in the event of a breach of law or uncured breach of contract by, negligence, recklessness or willful misconduct by, or the bankruptcy of the other party, or if the API integration becomes prohibited by applicable law.

Additionally, some blockchains, such as NEO and VeChain (VET), are designed to automatically generate additional, secondary tokens for distribution to holders, without the involvement of a third party like Everstake. For example, holders of NEO automatically receive tokens of GAS at a rate determined by the NEO blockchain. Likewise, holders of VeChain tokens automatically receive VeChain Energy (VTHO) tokens pursuant to a mechanism in the VeChain blockchain. In these cases, the Exodus Rewards App provides a convenient way for wallet holders to visualize the rewards attributable to their primary tokens.

Sales and Marketing

Our obsession with delivering the best customer experience and customer support for crypto assets has led to the majority of our customer acquisition coming from word-of-mouth. We have not invested in traditional marketing and advertising platforms, but instead have chosen to create high-quality content on our YouTube channel, proprietary blog, and bespoke landing pages. This content highlights crypto assets accessible on the Exodus Platform and ensures that customers have access to dynamic content that anticipates their questions, feeds their curiosities, and gives them an honest assessment of these crypto assets.

Our YouTube videos regularly attract thousands of viewers and often outperform content created by industry competitors, despite our competitors’ channels having more subscribers and developed marketing teams. Many of our bespoke landing pages currently appear on the first page of the relevant Google search, above content generated by our competitors. We believe our blog has wide readership, and our blog ranks first for a variety of competitive search terms on Google.

Product Development

Our product development teams focused on engineering and design obsessively gather customer feedback and incorporate it into the software updates that we release on a biweekly basis. Our commitment to these software updates enables us to respond to customer evaluations of our products on a rapid timetable, and consistently enhance the core functionality and usability of the Exodus Platform.

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Intellectual Property

Our success depends in part upon our ability to protect and use our core technology and intellectual property rights. We rely on a combination of copyrights, trademarks, trade secrets, know-how, contractual provisions and confidentiality procedures to protect our intellectual property rights. We have registered “Exodus” as a trademark in the United States and other jurisdictions and we have filed other trademark applications in the United States. We are also the registered holder of a variety of domestic and international domain names that include “Exodus” – including, most importantly, “exodus.com.”

In addition to the protection provided by our intellectual property rights, we enter into proprietary information and invention assignment agreements or similar agreements with our employees, consultants, and contractors. We may also seek to patent our technology in the future.

Regulatory Environment

Various aspects of our business and service areas are subject to U.S. federal, state, and local regulation, as well as regulation outside the United States. Below is a summary of certain current areas of government regulation that apply to our business and potential regulatory issues of which we are aware. As discussed below, we generally believe that our business and the offering discussed in this offering circular are compliant with these regulations, but in certain cases there may be uncertainty related to that conclusion. These descriptions are not exhaustive, and these laws, regulations and rules frequently change and are increasing in number. For more discussion on regulations as applied to our business, see “*Risk factors—Risks Related to Regulation.*”

Securities Act Considerations

It is possible that certain crypto assets traded using our platform would be viewed as “securities” for purposes of state or federal regulation. Offerings of securities in the United States are required, under the Securities Act to either register with the SEC or to rely on an exemption from federal registration. Offerings of securities in the United States may also be required to register with applicable state regulators as required by state law. Should an offering of securities in the United States occur and the issuer of the securities has not registered the offering and has not performed the offering in reliance on an exemption from federal registration, under the laws of the United States such a security offering would be deemed illegal. Under the Securities Act, the definition of “security” is very broad and includes the concept of an “investment contract.” An investment contract is any financial transaction that fits within the “*Howey test*,” a four-factor test based on an analysis of the nature of the transaction and relevant caselaw. Certain crypto assets could fall into the *Howey* definition.

Our primary business is the operation of an interface that allows customers to trade crypto assets. We have engaged in a review process for the crypto assets available to be traded through the Exchange Aggregator on our platform, and based on that review process, we have created two separate fee structures for the exchanges connected to the Exchange Aggregator. We charge a monthly flat fee to exchanges on which U.S. persons trade tokens. For exchanges that do not deal with U.S. persons, or on which U.S. persons do not have the ability to trade tokens that could be considered securities, we may charge a percentage of assets exchanged. We may also charge exchanges on which U.S. persons trade tokens a percentage of assets exchanged for certain digital assets that we have determined are not securities. It is possible, however, that the SEC or another regulator could disagree with our position. If that were the case, it is possible that our receipt of compensation based on the percentage of crypto assets exchanged could be deemed to be the receipt of transaction-based fees for facilitating transactions in unregistered securities, and that we could be found to be facilitating or engaged ourselves and in violation of the federal and state securities laws. Any of these developments could have a negative effect on our business, financial condition and results of operations.

Exchange Act Considerations

Broker-Dealer Considerations

It is possible that our activities with respect to crypto assets would cause us to be viewed as a “broker” or “dealer” under federal or state law. Under the Exchange Act, a “broker” is a person engaged in the business of effecting transactions in securities for the account of others. The staff of the SEC has indicated that receiving commissions or other transaction-related compensation is one of the determinative factors in deciding whether a person is “engaged in the business” of being a “broker,” in part because this “salesman’s stake” in a securities

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transaction incentivizes the recipient to encourage transactions that may or may not be appropriate for the parties involved. Because for certain crypto assets we receive a percentage of the amount of crypto assets a customer exchanges through the Exchange Aggregator on our platform, if any of the crypto assets for which we receive such payment were deemed to be securities, we could be viewed as a broker based on our receipt of such compensation. More generally, our activities with respect to any crypto assets that are deemed securities could trigger the need for broker registration. We have engaged in a review process for the crypto assets available to be traded through the Exchange Aggregator on our platform, and based on that review process, we have created two separate fee structures for the exchanges connected to the Exchange Aggregator. We charge a monthly flat fee to exchanges on which U.S. persons trade tokens. For exchanges that do not deal with U.S. persons, or on which U.S. persons do not have the ability to trade tokens that could be considered securities, we may charge a percentage of assets exchanged. We may also charge exchanges on which U.S. persons trade tokens a percentage of assets exchanged for certain digital assets that we have determined are not securities. However, it is possible that the SEC or another regulator could disagree with our position. If that were to be the case, we may be required to change our compensation system or make other changes to our platform and business, which could have a negative effect on our financial position. We may also be required to register as a broker-dealer and comply with applicable regulations. Any of these developments could have a negative effect on our business, financial condition and results of operations.

Transfer Agent Considerations

It is possible that we could be viewed as a “transfer agent” for purposes of federal or state law. Under the Exchange Act, a transfer agent is a person who engages, with respect to securities registered under Section 12 of the Exchange Act, in (a) countersigning issued securities, (b) monitoring issued securities, with the goal of preventing unauthorized issuances, (c) registering transfers of issued securities, (d) exchanging or converting issued securities, or (e) transferring record ownership of securities by bookkeeping entry without physical issuance of securities certificates. Transfer agents are typically required to register with the SEC under the Exchange Act.

Because our platform allows customers to connect through APIs to exchanges that permit the transfer of crypto assets, it is possible that if any crypto assets traded through the connected exchanges were deemed to be securities, our activity as a platform connecting customers to those exchanges could result in the SEC or another regulator determining that we have acted as a transfer agent. We believe that the provision of a platform that provides a connection to an exchange through an API does not on its own result in the entity providing the platform being deemed to be a transfer agent; however, it is possible that the SEC or another regulator could disagree with our position. If that were the case, we could be forced to register as a transfer agent and comply with applicable law, which could lead to us experiencing significant costs and could force us to change or cease our operations. Any of these developments could have a negative effect on our business, financial condition and results of operations.

Clearing Agency Considerations

It is possible that the SEC could determine that we are a clearing agency for purposes of federal law. Under the Exchange Act, a clearing agency is any person who (a) acts as an intermediary in making payments or deliveries, or both, in connection with transactions in securities; (b) provides facilities for comparison of data respecting the terms of settlement of securities transactions, to reduce the number of settlements of securities transactions, or for the allocation of securities settlement responsibilities; (c) acts as a custodian of securities in connection with a system for the central handling of securities whereby all securities of a particular class or series of any issuer deposited within the system are treated as fungible and may be transferred, loaned, or pledged by bookkeeping entry without physical delivery of securities certificates; or (d) otherwise permits or facilitates the settlement of securities transactions or the hypothecation or lending of securities without physical delivery of securities certificates. A clearing agency does not include any person solely by reason of performing a transfer agent function, specifically transferring record ownership of securities by bookkeeping entry without physical issuance of securities certificates. Clearing agencies are generally required to register with the SEC and comply with applicable regulation.

Because we provide a platform that facilitates transfers in crypto assets through API connections to exchanges that permit the transfer of crypto assets, it is possible that we could be viewed as engaging in these types of activities. We have taken the position that we are not a clearing agency under the Exchange Act because

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the provision of a digital platform is not the type of activity described in the definition of a clearing agency. It is possible that the SEC or another regulatory agency could disagree with our position. If so, we could be forced to register as a clearing agency and comply with applicable law, which could lead to significant costs and could force us to change or cease our operations. Any of these developments could have a negative effect on our business, financial condition and results of operations.

Exchange or ATS Considerations

It is possible that the SEC or another regulator could determine that we are an exchange or an ATS and require us to register and comply with applicable law. Entities that are engaged as “exchanges” or “ATSs” with respect to securities are subject to federal registration and significant regulatory oversight by the SEC and FINRA. Exchanges and ATSs are generally networks that constitute, maintain, or provide a marketplace or facilities for bringing together the orders of multiple purchasers and multiple sellers of securities. A system “brings together” orders if it displays trading interests entered on the system to users (e.g., through consolidated quote screens) or receives orders for processing and execution. This does not include systems that have only one seller for each security (e.g., the issuer), even if there are multiple buyers.

Because we provide a platform that allows customers to access crypto asset exchanges through APIs, it is possible that we could be viewed as engaged in activities that would cause us to be deemed an exchange or ATS. We do not believe that the provision of a platform that provides connection to an exchange through an API constitutes the type of activity that is undertaken by an exchange. However, it is possible that the SEC or another regulator could disagree with our position. If so, we could be forced to register as an exchange or ATS and comply with applicable law, which could lead to significant costs and could force us to change or cease our operations.

Additionally, the exchanges we partner with could be found by the SEC to be illegally operating as unregistered exchanges or ATSs and could require them to shut down. Any of these developments could have a negative effect on our business, financial condition and results of operations.

Privacy, data protection and data security regulations

We are subject to laws and regulations relating to privacy, data protection, and data security. These laws and regulations are evolving, may impose inconsistent or conflicting standards among jurisdictions, can be subject to significant change and may result in ever-increasing regulatory and public scrutiny and escalating levels of enforcement and sanctions. For example, in the European Union, the GDPR imposes stringent obligations relating to privacy, data protection, and data security, authorizes fines up to 4% of global annual revenue or €20 million, whichever is greater, for some types of violations. In the United Kingdom, a Data Protection Act that substantially implements the GDPR also became law in May 2018, and was further amended in 2019 to align it more closely with the GDPR. Further, on January 1, 2020, the California Consumer Privacy Act (“CCPA”) went into effect. The CCPA, among other things, requires covered companies to provide new disclosures to California consumers, and afford such consumers new abilities to opt-out of certain sales of personal information. The CCPA provides for civil penalties for violations, as well as a private right of action that may increase related litigation. Moreover, a new privacy law, the California Privacy Rights Act (“CPRA”), recently was passed during the November 3, 2020 election. The CPRA significantly modifies the CCPA, potentially requiring us to incur additional costs and expenses in an effort to comply with the new regulations before it begins enforcement in 2023. In addition, some countries are considering or have enacted legislation requiring local storage and processing of data that could increase the cost or complexity of operating our platform or providing services.

We also expect that there will continue to be new proposed laws, regulations and standards relating to privacy and data protection in various jurisdictions, and we cannot determine the impact such future laws, regulations and standards, or new or differing interpretations or patterns of enforcement of laws, regulations and standards, may have on our business.

Aspects of the GDPR, CCPA, and other laws, regulations, standards, and other obligations relating to privacy, data protection, and data security remain uncertain, and complying with these laws, regulations, and obligations, as well as new laws, amendments to or re-interpretations of existing laws and regulations, industry standards, and contractual and other obligations, may require us to undertake additional obligations and incur additional costs, modify our data handling practices, and restrict our business operations. It also is possible that

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these laws, standards, contractual obligations, and other obligations may be interpreted and applied in a manner that is, or is alleged to be, inconsistent with our data management practices, our privacy, data protection, or data security policies or procedures, the Exodus Platform or services. If so, in addition to the possibility of fines, lawsuits and other claims, we could be required to modify the Exodus Platform, or our platform or services, or make changes to our business activities and practices, which could adversely affect the Exodus Platform, and our business as a whole. We may be unable to make such changes and modifications in a commercially reasonable manner or at all, and our ability to develop new offerings and features, and to make uses of data, could be limited.

Any violations, or perceived violations, of laws, regulations, or contractual or other obligations relating to privacy, data protection, or data security could subject us to fines, penalties, and regulatory investigations and other actions, as well as to civil actions by affected parties. Any such actual or perceived violations could result in negative publicity and harm to our or our third-party API providers' reputations, as well as adversely affect our ability to expand our platform and its functionality and any associated services, which could have a material adverse effect on our operations and financial condition. Additionally, privacy, data protection, and data security concerns, whether valid or not valid, may inhibit market adoption and use of the Exodus Platform, particularly in certain industries and foreign countries.

Anti-money laundering, anti-bribery, sanctions, and counter-terrorist regulations

We are subject to anti-money laundering laws and regulations, including certain sections of the USA PATRIOT Act. We are also subject to anti-corruption laws and regulations, including the U.S. Foreign Corrupt Practices Act (the "FCPA") and other laws, that prohibit the making or offering of improper payments to foreign government officials and political figures and includes anti-bribery provisions enforced by the Department of Justice and accounting provisions enforced by the SEC. The FCPA has a broad reach and requires maintenance of appropriate records and adequate internal controls to prevent and detect possible FCPA violations. Many other jurisdictions where we conduct business also have similar anticorruption laws and regulations. We have policies and procedures designed to identify and address potentially impermissible transactions under such laws and regulations.

Our business activities are subject to various restrictions under U.S. export control and sanctions laws and regulations, including the U.S. Department of Commerce's Export Administration Regulations and various economic and trade sanctions administered by OFAC. The U.S. export control laws and U.S. economic sanctions laws include restrictions or prohibitions on the sale or supply of certain products and services to U.S. embargoed or sanctioned countries, governments, persons and entities, and also require authorization for the export of certain encryption items. In addition, various countries regulate the import of certain software and technology, including through import permitting and licensing requirements and have enacted or could enact laws that could limit our ability to distribute our software in those countries.

Although we take precautions to prevent our software and services from being accessed or provided in violation of such laws, we may have previously allowed our software to be downloaded by individuals or entities potentially located in countries or territories subject to U.S. trade embargoes, in violation of U.S. sanctions laws. After learning of these potential violations, we initiated an internal review, took remedial action designed to prevent similar activity from occurring in the future, and submitted a voluntary self-disclosure regarding the apparent violations to OFAC. If we are found to be in violation of U.S. economic sanctions laws, it could result in fines and penalties. We may also be adversely affected through reputational harm. Further, the controls we have implemented may not be fully effective and there is no guarantee that we will not inadvertently provide software or services to sanctioned parties in the future. The voluntary self-disclosure is currently under review by OFAC.

In addition, changes in our software, or future changes in export and import regulations may prevent our international users from accessing our software. Any change in export or import regulations, economic sanctions or related legislation, or change in the countries, governments, persons or technologies targeted by such regulations, could result in decreased use of our software by existing or potential international users. Any decreased use of our software or limitation on our ability to export our software would likely adversely affect our business, results of operations, and financial results.

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Federal Money Services Business/State Money Transmitter Considerations

It is possible that we could be found to be a money services business at the federal level, and/or a “money transmitter” at the state level. Under the BSA and BSA implementing regulations adopted by FinCEN, all MSBs are required to (i) register with the U.S. Department of the Treasury through FinCEN; (ii) establish an AML program; and (iii) meet other recordkeeping and reporting requirements. MSBs include, among other businesses, a person providing “money transmission services,” which includes the “acceptance of currency, funds, or other value that substitutes for currency from one person and the transmission of currency, funds, or other value that substitutes for currency to another location or person by any means.” Because of the breadth of this definition, FinCEN regulations state that whether a person is a “money transmitter” is ultimately a “facts and circumstances” determination.

In addition to obligations at the federal level, virtually every U.S. state (and the District of Columbia) requires entities providing money transmission services to be licensed by the appropriate state agency responsible for the supervision of financial institutions. State laws regulating money transmission are not uniform, but generally define “money transmission” to include the receiving of money or monetary value for transmission or the transmitting of money or monetary value to a location within or outside the U.S. by any means.

FinCEN has provided limited guidance regarding the application of the BSA to activities involving crypto assets, and it is unclear whether our activities in regard to crypto assets could trigger a federal MSB registration requirement in and of itself. We believe that we do not meet the definition of a money transmitter because Exodus does not exercise “total independent control” over the value in our customers’ wallets. Exodus does not accept or transmit virtual currency on behalf of any customer, or otherwise act as an intermediary for exchange of currencies by taking possession of such crypto assets. If we were deemed to be an MSB, at the federal level, and/or a “money transmitter” at the state level, we could be subject to significant additional regulation, which could affect our business and operations.

Sports Betting

We are subject to certain laws and regulations regarding gambling and could be found in violation of such laws and regulations if our internal controls and systems were to fail. The gambling and sports betting industry is subject to extensive and evolving regulations that could change based on political and social norms and that could be interpreted in ways that could negatively impact our business. NextGen generally must maintain licenses with respect to its SportX app in order to continue operations, with its primary license to operate SportX issued by the Gaming Control Board of Curacao, Netherlands Antilles.

In the United States, the UIGEA prohibits among other things, the acceptance by a business of a wager by means of the internet where such wager is prohibited by any federal or state law where initiated, received or otherwise made. In addition, the Wire Act generally prohibits sports betting and the transmission of information related to sports betting via the internet if such betting and transmission of information crosses state lines. Moreover, many states within the United States prohibit sports betting, and where not prohibited, generally require those participating in sports betting within such state to maintain a license with the state’s applicable gaming authorities.

For these reasons, NextGen and Exodus have agreed that the SportX app and Exodus Platform shall (i) prohibit persons located in the United States and any of its territories from using the SportX app or the Exodus Platform in connection with the SportX app, (ii) include software restrictions to block persons located in the United States and any of its territories from utilizing the SportX app or the Exodus Platform in connection with the SportX app, (iii) only permit bets in the SportX app to be made by bettors in the form of crypto assets held in the cryptocurrency accounts of the bettors, (iv) only permit winnings to be paid out to bettors in the form of crypto assets that are sent over the blockchain directly to the bettor’s crypto asset account, and (v) take any and all other actions which may be necessary to ensure compliance at all times with U.S. laws concerning gambling and sports betting.

While we believe that we are in compliance in all material respects with all applicable sports betting regulatory requirements, there is no guarantee that the technical blocks we implement and which NextGen implements will be effective. These systems and controls are intended to ensure that our customers do not accept bets from end-users located in jurisdictions where the SportX app is not permitted, any failure of such systems

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and controls may result in violations of applicable laws or regulations. Any claims in respect of any such violations could have cost, resource, and, in particular if successful, reputational implications, and implications on our ability to retain, renew or expand our portfolio of licenses, and so have a material adverse effect on our operations, financial performance and prospects.

Moreover, we cannot assure that our activities or the activities of our customers will not become the subject of any regulatory or law enforcement, investigation, proceeding or other governmental action or that any such proceeding or action, as the case may be, would not have a material adverse impact on us or our business, financial condition or results of operations.

Foreign Regulation Considerations

We may be subject to a variety of foreign laws and regulations that involve matters central to our business. These could include, for example, regulations related to user privacy such as the GDPR, blockchain technology, potential broker-dealer or exchange activities, data protection, and intellectual property, among others. Our Swiss subsidiary, Proper Trust AG, will be subject to Swiss corporate and privacy laws and regulations, and will be regulated by the Swiss State Secretariat for Economic Affairs, which is similar to OFAC (see above, “*Anti-money laundering, anti-bribery, sanctions, and counter-terrorist regulations.*”) In certain cases, foreign laws may be more restrictive than those in the United States. Although we believe we are operating in compliance with the laws of jurisdictions in which Exodus exists, foreign laws and regulations are constantly evolving and can be subject to significant change. In addition, the application and interpretation of these laws and regulations are often uncertain, particularly in the new and rapidly evolving industry in which we operate. As a result, crypto assets and blockchain technologies such as those we are involved in face an uncertain regulatory landscape in many foreign jurisdictions, including but not limited to the European Union, China and Russia. Other foreign jurisdictions may also, in the near future, adopt laws, regulations or directives that affect our business.

We have adopted policies and procedures designed to comply with the laws that apply to us as we understand them. However, the growth of our business and its expansion outside of the United States may increase the potential of violating foreign laws or our own internal policies and procedures. The risk of our Company being found in violation of applicable laws and regulations is further increased by the fact that many of them are open to a variety of interpretations given the absence of formal interpretation by regulatory authorities or the courts. This risk may also be increased by the fact that our business crosses jurisdictional lines, and we may not always be in control of all activities that occur on the Exodus Platform.

Any action brought against us by a foreign regulator or in a private action based on foreign law could cause us to incur significant legal expenses and divert our management’s attention from the operation of the business. If our operations are found to be in violation of any laws and regulations, we may be subject to penalties associated with the violation, including civil and criminal penalties, damages and fines; we could be required to refund payments received by us; and we could be required to curtail or cease operations. Any of these consequences could seriously harm our business and financial results. In addition, existing and proposed laws and regulations can be costly to comply with and can delay or impede the development of new products, result in negative publicity, increase operating costs, require significant management time and attention, and subject us to claims or other remedies, including fines or demands that we modify or cease existing business practices.

Any applicable foreign laws, regulations or directives may also conflict with those of the United States. The effect of any future regulatory change is impossible to predict, but any change could be substantial and materially adverse to the adoption and value of the tokens and our operations.

Potential Competitive Landscape

We pioneered and lead the market for non-custodial solutions for managing crypto assets. We believe that we provide the most comprehensive non-custodial solution, offering mobile and desktop products, the option to connect to a hardware wallet, a significant range of supported crypto assets, as well as functions such as our Exchange Aggregator and other apps. Since our founding, our competition has primarily been custodial solutions, such as the exchanges supported by well-known companies like Coinbase and Binance US. These exchanges tend to have greater name recognition and, as people are familiar with custodial products due to the traditional banking system, people may believe that custodial products offer more security and ease of use than non-custodial products.

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We believe that due to security and technical risks associated with centralized or custodial services, crypto asset holders will continue to move towards non-custodial solutions. Recent activity showing that the number of Bitcoin held on crypto-to-crypto exchanges hit an 18-month low in May 2020 supports this strategy.

Within the market for non-custodial wallet solutions, there are other companies that actively compete with us, offering various combinations of the features available on our platform. While leading exchanges, which have significant resources and brand power, have created non-custodial wallets, their focus continues to be on centralized crypto asset products. However, our market is relatively new, and our competitors have adapted and may continue to adapt their platforms to incorporate many of our features and design, as well as additional features or solutions.

We believe that the principal competitive factors in our market are:

- platform features, quality, functionality and design;
- product pricing;
- breadth of features offered by a platform;
- quality of customer support;
- security and trust;
- brand awareness and reputation;
- ease of adoption and use;
- accessibility of platform on multiple devices;
- customer acquisition costs; and
- range of supported crypto assets.

We compare favorably with our competitors on the basis of these factors. We expect demand for non-custodial solutions to continue to rise, based on recent market data. We believe that we are well-positioned to take advantage of this market opportunity.

Employees

As of February 26, 2021, we had the equivalent of approximately 115 full time employees (“FTEs”). Our FTEs are paid exclusively in Bitcoin. Our employees are paid exclusively in Bitcoin. We also contract with a professional employer organization, TriNet, which co-employs our employees. We and TriNet share and allocate responsibilities and liabilities. TriNet assumes much of the responsibilities and liabilities for the business of employment such as risk management, human resources management, benefits administration, workers compensation, payroll and payroll tax compliance. The Company retains the responsibility for hiring, terminating and managing its employees and operations. None of our employees are represented by a labor union or covered by a collective bargaining agreement. We have not experienced any work stoppages and we consider our relations with our employees to be good.

Our international personnel consist of approximately 80 independent contractors located in approximately 30 countries, including the following: Armenia, Australia, Barbados, Brazil, Bulgaria, Canada, the People’s Republic of China, Czech Republic, Germany, India, Italy, Japan, Jordan, Kosovo, Mexico, Philippines, Poland, Romania, Russia, the Kingdom of Saudi Arabia, Singapore, Slovenia, South Africa, Spain, Thailand, Trinidad and Tobago, United Kingdom, Ukraine, and Uruguay.

Facilities

We operate completely remotely and do not maintain a physical corporate headquarters. Our team members work remotely in 30 countries and 18 different states within the U.S. We may choose to procure physical space as we add employees and grow our organization. We believe that our remote working operations are adequate to meet our needs for the immediate future, and that, if necessary, suitable physical space will be available to accommodate any expansion of our operations.

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Legal and Regulatory Proceedings

From time to time, we are involved in legal proceedings and subject to claims that arise in the ordinary course of business. Although the results of legal proceedings and claims cannot be predicted with certainty, we believe we are not currently party to any legal proceedings which, if determined adversely to us, would individually or taken together have a material adverse effect on our business, operating results, cash flows or financial condition. We may also pursue litigation to protect our legal rights and additional litigation may be necessary in the future to enforce our intellectual property and our contractual rights, to protect our confidential information or to determine the validity and scope of the proprietary rights of others.

From time to time, we are also involved in regulatory proceedings that arise in the ordinary course of business.

OFAC Administrative Subpoena

On or around December 7, 2018, we received an administrative subpoena (the “**Subpoena**”) issued by OFAC seeking information regarding potential transactions with individuals in Iran. We engaged in a full review of our systems and processes and responded to the Subpoena with a letter and set of documents that we considered responsive to the Subpoena on February 6, 2019, and supplemented the initial response with a second set of responsive documents on May 10, 2019. While the Subpoena only requested information in regard to Iran, we conducted a comprehensive review that covered all countries and territories subject to U.S. trade embargoes administered by OFAC. As a result of this review, we determined that we may have previously inadvertently allowed our software to be downloaded by individuals or entities located in countries or territories subject to U.S. trade embargoes (i.e., Cuba, Crimea, Iran, Syria, and Sudan (prior to October 12, 2017 when comprehensive sanctions against Sudan were revoked)), and submitted a voluntary self-disclosure regarding these apparent violations to OFAC, as discussed further in the Risk Factors section above. We submitted our final report of voluntary self-disclosure in July 2019.

The transactions identified in our response to the Subpoena and the voluntary self-disclosure consisted of free downloads of our un-hosted and non-custodial software wallet for cryptocurrencies and cryptographic assets. The disclosed transactions accounted for approximately 0.7 percent of all such downloads for the relevant time period (December 2015 through December 2018).

Since the receipt of the Subpoena, we have implemented a series of measures designed to ensure that we comply with applicable sanctions laws. These activities include: the establishment of sanctions compliance policies and procedures, providing compliance training to our employees; and implementing geo-blocking technology to block parties with IP addresses associated with embargoed countries and territories from accessing our software or services. We are continuing to cooperate with OFAC’s review of our response to the Subpoena and our voluntary self-disclosure, which is ongoing.

MANAGEMENT

Executive Officers and Directors

The following table provides information regarding our executive officers, significant employees and directors as of February [-], 2021.

Name	Age	Position	Term of Office ⁽¹⁾
Executive Officers and Directors			
Jon Paul Richardson	37	Chief Executive Officer and Director	Chief Executive Officer: July 2016-present; President: July 2016-June 2019; Director: July 2016-present
Daniel Castagnoli	44	President and Director	Chief Financial Officer: July 2016-March 2019; Secretary: July 2016-June 2019; President: June 2019-present; Director: July 2016-present

Executive Officers

Sebastian Milla	29	Chief Operating Officer	April 2019-present
James Gernetzke	45	Chief Financial Officer and Secretary	March 2019-present
Sean Coonce	40	Vice President of Engineering	May 2020-present
David Berson	56	General Counsel	February 2021-present
Sonja McIntosh	60	Vice President of Community Support	August 2019-present

(1) All terms of office are indefinite.

Executive Officers

Jon Paul Richardson, 37, has served as our chief executive officer and as a member of our board of directors since co-founding Exodus with Daniel Castagnoli in 2016, and previously served as our president from July 2016 until July 2019. Mr. Richardson holds a B.S. in electrical engineering and computer engineering from the University of Nebraska – Lincoln.

Daniel Castagnoli, 44, has served as our president since July 2019 and as a member of our board of directors since co-founding Exodus with Jon Paul Richardson in 2016, and previously served as our chief financial officer and secretary from July 2016 to March 2019. Before joining Exodus, Mr. Castagnoli designed experiences for Apple, BMW, Disney and Louis Vuitton.

Sebastian Milla, 29, has served as our chief operating officer since April 2019, and previously served as our Vice President of Business Development from August 2018 to April 2019, and as an Exodus community support engineer from January 2018 to August 2018. Before joining Exodus, Mr. Milla served as a program director in several New York City schools from August 2017 to December 2018. Prior to that, Mr. Milla served as a curriculum developer for the New Museum in New York City from January 2016 to April 2016. Mr. Milla holds a B.A. in world arts and cultures from the University of California – Los Angeles and an M.A. in arts education and community practice from New York University.

James Gernetzke, 45, has served as our chief financial officer since May 2019. Before joining Exodus, Mr. Gernetzke served as the chief financial officer of Banyan Medical Systems, Inc., a healthcare technology company, from February 2017 to May 2019. Prior to that, Mr. Gernetzke served as the director of finance at First Data Corporation from December 2015 to January 2017. Mr. Gernetzke is a registered CPA in the State of Illinois and holds a B.S. in accounting from Marquette University and an M.B.A. from Northwestern University Kellogg School of Management.

Sean Coonce, 40, has served as our vice president of engineering since May 2020. Before joining Exodus, Mr. Coonce served as the Engineering Manager of the Blockchain Team at BitGo from April 2018 to May 2020.

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Prior to that, Mr. Coonce served as the Director Of Engineering, Web at Guidebook Inc. from July 2016 to August 2018. Mr. Coonce has a B.S. in information technology from San Diego State University.

David Berson, 56, has served as our general counsel since February 2021. Before joining Exodus, Mr. Berson was a partner at Berson Law LLC. Mr. Berson has over 30 years of experience in business law, securities law, and financial institution law. Mr. Berson holds a J.D. from Columbia University School of Law.

Sonja McIntosh, 60, has served as the vice president of community support since August 2019. Before joining Exodus, Ms. McIntosh served as the Vice President of Customer Operations at Simple Finance from April 2018 to June 2019, where she was responsible for customer support and risk operations. Prior to that, Ms. McIntosh served as the Vice President of Operations at SoFi from April 2013 to July 2017.

Board of Directors

Jon Paul Richardson. See “—Executive Officers” for Mr. Richardson’s biographical information.

Daniel Castagnoli. See “—Executive Officers” for Mr. Castagnoli’s biographical information.

Board Composition and Risk Oversight

Our board of directors is currently composed of two members. The amended and restated certificate of incorporation and amended and restated bylaws to be in effect upon the completion of this offering provide that the number of directors shall be at fixed from time to time by resolution of the board of directors. There are no family relationships among any of the directors or executive officers.

Limitation of Liability and Indemnification

Our amended and restated certificate of incorporation and amended and restated bylaws provide for the indemnification of our directors and officers to the fullest extent permitted under the General Corporation Law of the State of Delaware (“**DGCL**”). In addition, our amended and restated certificate of incorporation provides that our directors shall not be personally liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director to the fullest extent permitted by the DGCL and that if the DGCL is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of our directors shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended.

As permitted by the DGCL, we expect to enter into separate indemnification agreements with each of our directors, officers and certain other employees that require us, among other things, to indemnify them against certain liabilities which may arise by reason of their status as directors, officers or employees. We also expect to obtain and maintain insurance policies under which our directors and officers are insured, within the limits and subject to the limitations of those policies, against certain expenses in connection with the defense of, and certain liabilities that might be imposed as a result of, actions, suits or proceedings to which they are parties by reason of being or having been directors or officers. The coverage provided by these policies may apply whether or not we would have the power to indemnify such person against such liability under the provisions of the DGCL.

We believe that these provisions and agreements are necessary to attract and retain qualified persons as our officers and directors. At present, there is no pending litigation or proceeding involving our directors or officers for whom indemnification is required or permitted, and we are not aware of any threatened litigation or proceeding that may result in a claim for indemnification.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS**Summary Compensation Table**

The following table summarizes the compensation of the three highest paid persons who were our executive officers and directors during the year ended December 31, 2020 (our “**named executive officers**”):

Name and Principal Position	Year	Cash Compensation ⁽¹⁾	All Other Compensation	Total
John Paul Richardson <i>Chief Executive Officer, Director</i>	2020	\$307,358	\$—	\$307,358
Daniel Castagnoli <i>President, Director</i>	2020	\$313,588	\$—	\$313,588
James Gernetzke <i>Chief Financial Officer</i>	2020	\$225,000	\$—	\$225,000

(1) Amounts represent the payment of base salary and cash incentive bonuses paid upon completion of pre-determined tasks. Cash compensation is paid to our named executive officers in Bitcoin, with the U.S. dollar value of such Bitcoin determined by the prevailing U.S. dollar/Bitcoin exchange rate on the date of payment.

Employment Arrangements with our Named Executive Officers*Jon Paul Richardson*

Mr. Richardson does not have an employment letter agreement. Mr. Richardson’s current annual base salary is \$250,000 per year.

Daniel Castagnoli

Mr. Castagnoli does not have an employment letter agreement. Mr. Castagnoli’s current annual base salary is \$250,000 per year.

James Gernetzke

We entered into an employment letter agreement with Mr. Gernetzke in March 2019. Mr. Gernetzke’s employment letter arrangement has no specific term and provides that Mr. Gernetzke is an at-will employee. Mr. Gernetzke’s current annual base salary is \$200,000 per year.

Employee Benefit and Stock Plans

Option Awards. Our named executive officers are eligible to receive awards under our 2019 Equity Incentive Plan (the “**2019 Plan**”). Our board of directors adopted, and our stockholders approved, the 2019 Plan in September 2019. The Plan became effective as of its approval by our board of directors. The 2019 Plan permits the grant of incentive stock options to our employees and any parent and subsidiary corporations’ employees, and for the grant of nonstatutory stock options, restricted stock, restricted stock units, and stock appreciation rights to our employees, directors and consultants and any parent and subsidiary corporations’ employees and consultants.

Authorized Shares. Subject to the adjustment provisions of the 2019 Plan described below, a total of 1,500,000 shares of our Class B common stock are reserved for issuance pursuant to the 2019 Plan. Any shares of Class B common stock subject to an award under the 2019 Plan which for any reason expires, terminates or otherwise settles without the issuance of any common stock will not reduce (or otherwise offset) the number of shares of Class B common stock that may be available for issuance under the 2019 Plan. If shares issued pursuant to a stock award are forfeited back to or repurchased by us because of the failure to meet a contingency or condition required to vest such shares in the participant, such shares will become available for future grant under the 2019 Plan. Any shares that are reacquired by us to pay withholding taxes or as consideration for the exercise or purchase price of an award will again become available for issuance under the Plan.

Plan Administration. Our board of directors administers the 2019 Plan. The interpretation and construction by the board of directors of any term or provision of the 2019 Plan or of any stock option or other award

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granted under it are conclusive and binding. The board of directors may from time to time adopt rules and regulations for carrying out the plan and, subject to the provisions of the plan, may prescribe the form of agreements evidencing any award granted under the 2019 Plan. Subject to the provisions of the 2019 Plan, the board of directors has broad authority to administer and interpret the 2019 Plan, including the authority to: determine which employees, directors or consultants are eligible to receive awards under the 2019 Plan; determine amounts, vesting schedules, acceleration events and termination events for awards; establish conditions and restrictions regarding the retention or exercise of stock option, restricted stock and other awards; determine the fair market value applicable to awards; and make all other determinations necessary to administer the 2019 Plan.

Types of Awards: We may grant stock options, stock appreciation rights, restricted stock and other stock-based awards under the 2019 Plan.

Stock Options. The exercise price of options granted under the 2019 Plan must generally at least be equal to the fair market value of our common stock on the date of grant and the term of an incentive stock option may not exceed 10 years. The board of directors will determine the time or times when an option is exercisable during the term of the option. The option may become exercisable in installments, and the exercisability of the option may be accelerated in certain circumstances. The methods of payment of the exercise price of an option may include cash, check, bank draft or money order payable to us in a currency, including virtual currency, deemed acceptable by the board of directors. The board of directors may permit option holders to pay the exercise price through a “net exercise” arrangement by having shares “withheld” from an option exercise. After the termination of service of an employee, director or consultant, he or she may exercise his or her option for the period of time stated in his or her option agreement. However, in no event may an option be exercised later than the expiration of its term. Subject to the provisions of the 2019 Plan, the administrator determines the other terms of options.

Stock Appreciation Rights. Stock appreciation rights allow the recipient to receive the appreciation in the fair market value of our common stock between the exercise date and the date of grant. Under the 2019 Plan, holders of stock appreciation rights may exercise the stock appreciation right and receive a payment in cash, in shares of our common stock or in any combination of cash and stock.

Restricted Stock. A grant of restricted stock involves an agreement that gives the holder the opportunity to receive and retain a certain number of shares of common stock from us, provided that certain conditions are satisfied. When the conditions of the agreement are satisfied, the stock becomes fully vested. The restrictions on any restricted stock awards granted will be determined by the board of directors.

Other Stock-Based Awards. Other stock-based awards may be granted under the plan that are based in whole or in part by reference to, or otherwise based on, the fair market value of the our common-stock on such terms as the board of directors may determine. Such awards may include restricted stock units, which may be settled in cash, stock or otherwise.

Non-Transferability of Awards. Unless the board of directors provides otherwise, the 2019 Plan generally does not allow for the transfer of awards and only the recipient of an award may exercise an award during his or her lifetime.

Certain Adjustments. The board of directors may make adjustments to the number of shares available for awards under the 2019 Plan and the terms of such awards if we undergo a stock split, stock dividend, recapitalization, reorganization, dissolution, liquidation, consolidation, combination, merger or other similar corporate transaction.

Amendment, Termination. The board of directors will have the sole right to alter, amend, suspend or terminate the 2019 Plan provided such action will not materially impair the existing rights of any participant. The 2019 Plan will automatically terminate in 2029, unless we terminate it sooner.

Director Compensation

As of the date of this offering circular, our board of directors is comprised entirely of members of our management team, and as a result none of our directors receive separate compensation for their service on the board of directors.

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Outstanding Equity Awards as of December 31, 2020

The following table presents information concerning equity awards held by our directors and named executive officers as of December 31, 2020:

Name	Vesting Commencement Date	Option Awards				Stock Awards	
		Number of Shares of Class B Common Stock Underlying Unexercised Options (#) Exercisable	Number of Shares of Class B Common Stock Underlying Unexercised Options (#) Unexercisable	Option Exercise Prices (\$)	Option Expiration Date	Number of Shares of Class B Common Stock that Have Not Vested(#)	Market Value of Shares of Class B Common Stock that Have Not Vested (\$) ⁽¹⁾
Jon Paul Richardson	01/17/2017					135,418 ⁽²⁾	\$3,713,161.56
Daniel Castagnoli	01/17/2017					135,418 ⁽³⁾	\$3,713,161.56
James Gernetzke	03/21/2019	62,500 ⁽⁴⁾	87,500	2.39	09/29/2029		
	03/21/2019	874 ⁽⁴⁾	1,126	2.39	10/20/2029		

(1) This column represents the market value of the shares of restricted stock as of December 31, 2020, based on an assumed offering price of \$27.42 per share of our common stock.

(2) Mr. Richardson purchased 9,500,000 shares of restricted Class B common stock through a restricted stock purchase agreement on January 1, 2017. 3,000,000 of the shares subject to the restricted stock purchase agreement immediately vested on January 1, 2017, with 1/48th of the remaining shares vesting monthly thereafter, subject to continued service as an employee, consultant, advisor, officer or director through each such vesting date.

(3) Mr. Castagnoli purchased 9,500,000 shares of restricted Class B common stock through a restricted stock purchase agreement on January 1, 2017. 3,000,000 of the shares subject to the restricted stock purchase agreement immediately vested on January 1, 2017, with 1/48th of the remaining shares vesting monthly thereafter, subject to continued service as an employee, consultant, advisor, officer or director through each such vesting date.

(4) One-fourth of the shares subject to the option vest on the one-year anniversary of the vesting commencement date, with the 1/48th of the total number of shares vesting monthly thereafter, subject to continued service through each such vesting date.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The following is a summary of transactions since January 1, 2017 where we were or will be a party in which the amount involved exceeded the lesser of (i) \$120,000 and (ii) 1% of the average of our total assets at year-end for the last two completed fiscal years, and in which any director, officer, promoter or beneficial holder of more than 10% of any class of our voting securities, or any member of the immediate family of any of the foregoing persons had or will have a direct or indirect material interest, other than compensation arrangements which are described under the section of this offering circular captioned “*Compensation of Directors and Executive Officers.*”

Demand Promissory Note

Exodus entered into demand promissory notes (the “**Notes**”) with Jon Paul Richardson, our chief executive officer, and Daniel Castagnoli, our president, dated January 1, 2017. Under the terms of the Notes, Mr. Richardson and Mr. Castagnoli have access to one or more credit cards to be used for expenses associated with the business of operating Exodus, and access to vehicles owned by Exodus, which may be used for business-related travel. Under the terms of the Notes, Exodus and Mr. Castagnoli and Mr. Richardson track, on a monthly basis, the value of any personal use of the credit cards and vehicles. These amounts are considered to be loans to Mr. Richardson and Mr. Castagnoli, for which Exodus provides monthly statements to Mr. Richardson and Mr. Castagnoli evidencing amounts due to Exodus. The Notes accrue interest at an annual rate equal to the minimum short-term applicable federal rate, which is currently 0.89%. The unpaid principal and any interest accrued on the outstanding loans made pursuant to the Notes shall mature and become due and payable in full immediately upon receipt of Exodus’s written demand for repayment. As of December 31, 2020, the balances of Mr. Richardson’s and Mr. Castagnoli’s Notes were both less than \$100.

PRINCIPAL AND SELLING STOCKHOLDERS

The following table sets forth certain information with respect to the beneficial ownership of our common stock as of December 31, 2020, and as adjusted to reflect the sale of our common stock in this offering, for:

- all executive officers and directors as a group, individually naming each director or executive officer who beneficially owns more than 10% of our common stock or who is a selling stockholder;
- any other securityholder who beneficially owns more than 10% of our common stock; and
- the selling stockholders.

We have determined beneficial ownership in accordance with the rules of the SEC, and thus it represents sole or shared voting or investment power with respect to our common stock. Unless otherwise indicated below, to our knowledge, the persons and entities named in the table have sole voting and sole investment power with respect to all shares that they beneficially owned, subject to community property laws where applicable. The information does not necessarily indicate beneficial ownership for any other purpose, including for purposes of Sections 13(d) and 13(g) of the Securities Act.

We have based our calculation of the percentage of beneficial ownership prior to this offering on zero shares of our Class A common stock and 22,399,557 shares of our Class B common stock outstanding as of December 31, 2020, after giving effect to the SAFE Conversion, the Forward Stock Split and the issuance of 4,800 shares of Class B common stock to COHAGEN WILKINSON, INC., a selling stockholder in this offering. The percentage of beneficial ownership after this offering is based on 2,733,229 shares of Class A common stock and 22,399,557 shares of Class B common stock outstanding immediately after the completion of this offering on a pro forma as adjusted basis.

Unless otherwise indicated, the address of each beneficial owner listed in the table below is c/o Exodus Movement, Inc., 15418 Weir Street, #333, Omaha, NE 68137.

Name of Beneficial Owner	Beneficial Ownership Before the Offering					Number of Shares Being Offered	Beneficial Ownership After the Offering				
	Class A		Class B		of Total Voting Power ⁽¹⁾		Class A		Class B		of Total Voting Power ⁽¹⁾
	Shares	%	Shares	%			Shares	%	Shares	%	
Directors and Executive Officers:											
Jon Paul Richardson ^{(2)§}	—	—	9,500,000	41.4	41.4	202,463	—	—	9,297,537	41.5	41.0
Daniel Castagnoli ^{(3)§}	—	—	9,500,000	41.4	41.4	45,587	—	—	9,454,413	42.2	41.7
James Gernetzke ^{(4)†}	—	—	72,832	*	*	2,000	—	—	70,832	*	*
Sonja McIntosh ^{(5)†}	—	—	38,250	*	*	36,124	—	—	2,126	*	*
All directors and executive officers as a group (7 persons) ⁽⁶⁾	—	—	19,234,320 ⁽²⁾	83.1	83.1	286,174	—	—	18,948,146	83.7	82.7
Selling Stockholders:											
Ain Sai ^{(7)†}	—	—	29,562	*	*	20,633	—	—	8,929	*	*
Aliah Church ^{(8)†}	—	—	4,774	*	*	4,066	—	—	708	*	*
Asya Kostanyan ^{(9)†}	—	—	20,870	*	*	14,000	—	—	6,870	*	*
Conway Jones ^{(10)†}	—	—	6,072	*	*	5,000	—	—	1,072	*	*
David Zelaya ^{(11)†}	—	—	19,442	*	*	19,442	—	—	—	—	—
Diana Dumitru-Staker ^{(12)†}	—	—	22,570	*	*	13,890	—	—	8,680	*	*
Giovanni Coutinho ^{(13)†}	—	—	2,988	*	*	2,206	—	—	782	*	*
Henderikus de Ram ^{(14)†}	—	—	3,914	*	*	3,914	—	—	—	—	—
Jeremy Winkler ^{(15)†}	—	—	4,236	*	*	4,000	—	—	236	*	*
John Staker ^{(16)†}	—	—	38,246	*	*	22,390	—	—	15,856	*	*
Konnor Klashinsky ^{(17)†}	—	—	49,822	*	*	32,000	—	—	17,822	*	*
Kris Merkel ^{(18)†}	—	—	34,346	*	*	20,000	—	—	14,346	*	*
Marcos Casagrande ^{(19)†}	—	—	3,000	*	*	2,824	—	—	176	*	*

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Name of Beneficial Owner	Beneficial Ownership Before the Offering					Number of Shares Being Offered	Beneficial Ownership After the Offering				
	Class A		Class B		of Total Voting Power ⁽¹⁾		Class A		Class B		of Total Voting Power ⁽¹⁾
	Shares	%	Shares	%			%	Shares	%	Shares	
Matias Olivera ⁽²⁰⁾ †	—	—	6,264	*	*	5,846	—	—	418	*	*
Maxwell Ogden ⁽²¹⁾ †	—	—	9,612	*	*	9,176	—	—	436	*	*
Michael Čečetka ⁽²²⁾ †	—	—	25,648	*	*	20,000	—	—	5,648	*	*
Nareg Aslanian ⁽²³⁾ †	—	—	26,820	*	*	23,550	—	—	3,270	*	*
Rocco Musolino ⁽²⁴⁾ †	—	—	18,528	*	*	10,000	—	—	8,528	*	*
Victor Bonini ⁽²⁵⁾ †	—	—	6,476	*	*	6,136	—	—	340	*	*
Leah Petrowski ⁽²⁶⁾ †	—	—	20,656	*	*	19,800	—	—	856	*	*
Bank to the Future Exodus SP, a Segregated Portfolio of Bank To The Future Capital SPC ⁽²⁷⁾ ‡	—	—	1,689,210	7.4	7.4	213,416	—	—	1,475,794	6.6	6.5
Bitcoin Capital 3 SP, a Segregated Portfolio of Bank To The Future Capital SPC ⁽²⁸⁾ ‡	—	—	143,992	*	*	18,192	—	—	125,800	*	*
Ricardo Hernandez ⁽²⁹⁾ ‡	—	—	322,540	1.4	1.4	40,600	—	—	281,940	1.3	1.2
COHAGEN WILKINSON, INC. ⁽³⁰⁾ ‡	—	—	4,800	*	*	606	—	—	4,194	*	*
Michal Cymbalista ⁽³¹⁾ ‡	—	—	5,600	*	*	707	—	—	4,893	*	*

* Represents beneficial ownership or voting power of less than 1%.

† Indicates a participant in Group 1 of the Secondary Offering. See “Plan of Distribution—Securities being issued.”

‡ Indicates a participant in Group 2 of the Secondary Offering. See “Plan of Distribution—Securities being issued.”

§ Indicates a participant in Group 3 of the Secondary Offering. See “Plan of Distribution—Securities being issued.”

- (1) Percentage total voting power represents voting power with respect to all outstanding shares of our Class A common stock and Class B common stock, voting as a single class. Each holder of Class A common stock shall be entitled to one per share of Class A common stock and each holder of Class B common stock shall be entitled to ten votes per share of Class B common stock. Holders of Class A common stock and Class B common stock will vote together as a single class on all matters (including the election of directors) submitted to a vote of stockholders, unless otherwise required by law or our amended and restated certificate of incorporation. The Class B common stock is convertible at any time by the holder into shares of Class A common stock on a share-for-share basis.
- (2) Consists of 9,500,000 shares of Class B common stock held of record.
- (3) Consists of 9,500,000 shares of Class B common stock held of record.
- (4) Consists of options to purchase 72,832 shares of Class B common stock exercisable within 60 days of December 31, 2020.
- (5) Consists of options to purchase 38,250 shares of Class B common stock exercisable within 60 days of December 31, 2020.
- (6) Consists of 9,500,000 shares of Class B common stock held of record and options to purchase 234,320 shares of our Class B common stock exercisable within 60 days of December 31, 2020.
- (7) Consists of options to purchase 29,562 shares of Class B common stock exercisable within 60 days of December 31, 2020.
- (8) Consists of options to purchase 4,774 shares of Class B common stock exercisable within 60 days of December 31, 2020.
- (9) Consists of options to purchase 20,870 shares of Class B common stock exercisable within 60 days of December 31, 2020.
- (10) Consists of options to purchase 6,072 shares of Class B common stock exercisable within 60 days of December 31, 2020.
- (11) Consists of options to purchase 19,442 shares of Class B common stock exercisable within 60 days of December 31, 2020.
- (12) Consists of options to purchase 22,570 shares of Class B common stock exercisable within 60 days of December 31, 2020.
- (13) Consists of options to purchase 2,988 shares of Class B common stock exercisable within 60 days of December 31, 2020.
- (14) Consists of options to purchase 3,914 shares of Class B common stock exercisable within 60 days of December 31, 2020.
- (15) Consists of options to purchase 4,236 shares of Class B common stock exercisable within 60 days of December 31, 2020.
- (16) Consists of options to purchase 38,246 shares of Class B common stock exercisable within 60 days of December 31, 2020.
- (17) Consists of options to purchase 49,822 shares of Class B common stock exercisable within 60 days of December 31, 2020.
- (18) Consists of options to purchase 34,346 shares of Class B common stock exercisable within 60 days of December 31, 2020.
- (19) Consists of options to purchase 3,000 shares of Class B common stock exercisable within 60 days of December 31, 2020.
- (20) Consists of options to purchase 6,264 shares of Class B common stock exercisable within 60 days of December 31, 2020.
- (21) Consists of options to purchase 9,612 shares of Class B common stock exercisable within 60 days of December 31, 2020.

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- (22) Consists of options to purchase 25,648 shares of Class B common stock exercisable within 60 days of December 31, 2020.
- (23) Consists of options to purchase 26,820 shares of Class B common stock exercisable within 60 days of December 31, 2020.
- (24) Consists of options to purchase 18,528 shares of Class B common stock exercisable within 60 days of December 31, 2020.
- (25) Consists of options to purchase 6,476 shares of Class B common stock exercisable within 60 days of December 31, 2020.
- (26) Consists of options to purchase 20,656 shares of Class B common stock exercisable within 60 days of December 31, 2020.
- (27) Consists of 1,689,210 shares of Class B common stock held of record.
- (28) Consists of 143,992 shares of Class B common stock held of record.
- (29) Consists of 322,540 shares of Class B common stock held of record.
- (30) Consists of 4,800 shares of Class B common stock held of record.
- (31) Consists of 5,600 shares of Class B common stock held of record.

DESCRIPTION OF CAPITAL STOCK

This section provides a summary of the rights of our capital stock. This summary is not complete. For more detailed information, please see our amended and restated certificate of incorporation and amended and restated bylaws, which are filed as exhibits to the offering statement of which this offering circular is a part.

Our authorized capital stock consists of 65,000,000 shares, consisting of (i) 60,000,000 shares of common stock divided into two series consisting of 32,500,000 shares designated as Class A common stock, par value \$0.000001 per share, and 27,500,000 shares designated as Class B common stock, par value \$0.000001 per share, and (ii) 5,000,000 shares designated as preferred stock, par value \$0.000001 per share.

As of December 31, 2020, on an actual basis, there were no shares of Class A common stock outstanding, an aggregate of 20,011,830 shares of Class B common stock outstanding and no shares of preferred stock outstanding.

Common Stock

Outstanding Shares

On a pro forma as adjusted basis, there will be 2,733,229 shares of Class A common stock and 22,399,557 shares of Class B common stock outstanding upon the closing of this offering. As of December 31, 2020, on an actual basis, we had no record holders of our Class A common stock and five record holders of our Class B common stock.

Voting Rights

Our authorized common stock is divided into two series, denominated as “Class A common stock” and “Class B common stock.” Each share of Class A common stock is entitled to one vote per share. Each share of Class B common stock is entitled to ten votes per share. Holders of Class A common stock and Class B common stock will vote together as a single class on all matters (including the election of directors) submitted to a vote of stockholders, unless otherwise required by law or our amended and restated certificate of incorporation.

Delaware law could require holders of Class A common stock or Class B common stock to vote separately, on a series-by-series basis, if we were to seek to amend our certificate of incorporation in a manner that alters or changes the powers, preferences or special rights of a series of our Common Stock in a manner that affects its holders adversely, but does not so affect the Common Stock as a whole, or if we take an action where a separate vote of either of the Class A common Stock or the Class B common stock is prescribed by the explicit terms of our amended and restated certificate of incorporation.

Holders of our Class A common stock and Class B common stock are not entitled to cumulative voting in the election of directors, which means that the holders of a majority of the voting power of our Class A common stock and Class B common stock, voting together as a single voting class, will be entitled to elect all of the directors standing for election, if they so choose.

After this offering, our existing stockholders, all of whom hold shares of Class B common stock, will collectively beneficially own shares representing approximately 82.7% of the voting power of our outstanding capital stock following the completion of this offering. Jon Paul Richardson and Daniel Castagnoli, each one of our executive officers and a member of our board of directors, will control approximately 70% of the voting power of our outstanding capital stock. Because of our dual class structure, we anticipate that, for the foreseeable future, these individuals will continue to be able to control all matters submitted to our stockholders for approval, including the election and removal of directors.

Conversion

Each share of Class B common stock is convertible at any time at the option of the holder into one share of Class A common stock. In addition, each share of Class B common stock will convert automatically into one share of Class A common stock upon any transfer, whether or not for value, except for certain transfers described in our amended and restated certificate of incorporation, including, without limitation, transfers for tax and estate planning purposes, so long as the transferring holder of Class B common stock continues to hold exclusive voting and dispositive power with respect to the shares transferred.

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All shares of Class B common stock will convert automatically into shares of Class A common stock upon the date on which the Class B common stock ceases to represent at least 10% of the total voting power of our outstanding common stock.

Once converted into a share of Class A common stock, a converted share of Class B common stock will not be reissued.

Dividends

Subject to preferences that may be applicable to any then-outstanding shares of preferred stock, holders of our Class A common stock and Class B common stock are entitled to receive dividends, if any, as may be declared from time to time by our board of directors out of legally available funds. For more information see “*Dividend Policy*.” If a dividend is paid in the form of Class A common stock or Class B common stock, then holders of Class A common stock shall receive Class A common stock and holders of Class B common stock shall receive Class B common stock.

Liquidation

In the event of our liquidation, dissolution or winding up, holders of our Class A common stock and Class B common stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities and the satisfaction of any liquidation preference granted to the holders of any then-outstanding shares of preferred stock.

Rights and Preferences

Except as described above, holders of Class A common stock and Class B common stock have no preemptive, conversion, subscription or other rights (other than the right of a holder of shares of Class B common stock to convert such shares into an equal number of shares of Class A common stock), and there are no redemption or sinking fund provisions applicable to Class A common stock or Class B common stock. The rights, preferences and privileges of the holders of Class A common stock and Class B common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock that we may designate in the future.

Fully Paid and Nonassessable

All of our outstanding shares of Class B common stock are, and the shares of Class A common stock to be issued pursuant to this offering will be, when paid for, fully paid and nonassessable.

Options

As of December 31 2020, options to purchase an aggregate of 2,737,008 shares of our Class B common stock were outstanding under the 2019 Plan.

Simple Agreements for Future Equity

We had entered into simple agreements for future equity (“**SAFEs**”) with investors in exchange for cash investments. The SAFEs had no interest rate or maturity date. Our SAFEs were convertible into shares of our preferred stock upon an equity financing in which we issue preferred stock and upon certain liquidity and dissolution events as described in the SAFEs. This Offering would not have triggered the automatic conversion of these SAFEs. In February 2021, we agreed with all SAFE holders to convert their SAFEs into Class B Common Stock. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Issuance of SAFEs.*”

The following table sets forth a summary of the SAFEs outstanding as of December 31, 2020.

Purchase Amount	Valuation Cap	Discount Rate
\$368,284	\$4,000,000	20%
\$170,000	\$5,000,000	80%

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Preferred Stock

Our board of directors has the authority, without further action by the stockholders, to issue up to 5,000,000 shares of preferred stock in one or more series and to fix the rights, powers, preferences, privileges and restrictions thereof. These rights, powers, preferences and privileges could include dividend rights, conversion rights, voting rights, redemption rights, liquidation preferences, sinking fund terms and the number of shares constituting any series or the designation of such series, any or all of which may be greater than the rights of Class A common stock or Class B common stock. The issuance of preferred stock could adversely affect the voting power of holders of Class A common stock and Class B common stock and the likelihood that such holders will receive dividend payments and payments upon liquidation. In addition, the issuance of preferred stock could have the effect of delaying, deferring or preventing a change in our control or other corporate action. Upon closing of this offering, no shares of preferred stock will be outstanding, and we have no present plan to issue any shares of preferred stock.

Section 203 of the DGCL

We have chosen not to be governed by Section 203 of the DGCL regulating corporate takeovers. In general, Section 203 prohibits a Delaware corporation having more than 2,000 shareholders of record from engaging in a “business combination” with an “interested stockholder” for a three-year period following the time that this stockholder becomes an interested stockholder, unless the business combination is approved in a prescribed manner.

Anti-Takeover Provisions

The provisions of the DGCL, our amended and restated certificate of incorporation, and our amended and restated bylaws following this offering could have the effect of delaying, deferring, or discouraging another person from acquiring control of our company. These provisions, which are summarized below, are expected to discourage certain types of coercive takeover practices and inadequate takeover bids and encourage persons seeking to acquire control of our company to first negotiate with our board of directors. We believe that the benefits of increased protection of our potential ability to negotiate with an unfriendly or unsolicited acquirer outweigh the disadvantages of discouraging a proposal to acquire us because negotiation of these proposals could result in an improvement of their terms.

Our amended and restated certificate of incorporation and our amended and restated bylaws include a number of provisions that may have the effect of deterring hostile takeovers, or delaying or preventing changes in control of our management team or changes in our board of directors or our governance or related policies, including the following:

- **Special Meetings of Stockholders.** Our amended and restated certificate of incorporation and our amended and restated bylaws provide that special meetings of our stockholders may be called only by a majority of our board of directors, the chairperson of our board of directors, or our chief executive officer or president, thus prohibiting a stockholder from calling a special meeting. These provisions might delay the ability of our stockholders to force consideration of a proposal or for stockholders to take any action, including the removal of directors.
- **Advance Notice Requirements for Stockholder Proposals and Director Nominations.** Our amended and restated bylaws provide advance notice procedures for stockholders seeking to bring business before our meetings of stockholders or to nominate candidates for election as directors at our meetings of stockholders. Our amended and restated bylaws also specify certain requirements regarding the form and content of a stockholder’s notice. These provisions may preclude our stockholders from bringing matters before our meetings of stockholders or from making nominations for directors at our meetings of stockholders. We expect that these provisions might also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer’s own slate of directors or otherwise attempting to obtain control of our company.
- **No Cumulative Voting.** The DGCL provides that stockholders are not entitled to the right to cumulate votes in the election of directors unless a corporation’s certificate of incorporation provides otherwise. Our amended and restated certificate of incorporation and amended and restated bylaws do not provide for cumulative voting.

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- **Issuance of Undesignated Preferred Stock.** Our board has the authority, without further action by the stockholders, to issue up to 1,000,000 shares of undesignated preferred stock with rights and preferences, including voting rights, designated from time to time by our board of directors. The existence of authorized but unissued shares of preferred stock enables our board of directors to render more difficult or to discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest, or otherwise.
- **Choice of Forum.** Our amended and restated bylaws provide that, to the fullest extent permitted by law, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for any derivative action or proceeding brought on our behalf; any action asserting a breach of fiduciary duty; any action asserting a claim against us arising pursuant to the DGCL, our amended and restated certificate of incorporation or amended and restated bylaws; or any action asserting a claim against us that is governed by the internal affairs doctrine. This exclusive forum provision does not apply to claims as to which the Court of Chancery of the State of Delaware determines that there is an indispensable party not subject to the jurisdiction of such court (and the indispensable party does not consent to the personal jurisdiction of such court within 10 days following such determination), claims that are vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery of the State of Delaware, or claims for which the Court of Chancery of the State of Delaware does not have subject matter jurisdiction. For instance, the provision does not preclude the filing of claims brought to enforce any liability or duty created by the Exchange Act or Securities Act or the rules and regulations thereunder in federal court. In addition, our amended and restated bylaws provide that the federal district courts of the United States shall be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. The enforceability of similar exclusive federal forum provisions in other companies' organizational documents has been challenged in legal proceedings, and while the Delaware Supreme Court has ruled that this type of exclusive federal forum provision is facially valid under Delaware law, there is uncertainty as to whether other courts would enforce such provisions and that investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder.

In addition, our amended and restated certificate of incorporation and our amended and restated bylaws include a number of provisions that become effective only after the date on which the Class B common stock ceases to represent at least 50% of the total voting power of our outstanding capital stock (the "**Class B Threshold Date**"). These provisions may also have the effect of deterring hostile takeovers, or delaying or preventing changes in control of our management team or changes in our board of directors or our governance or policy, including the following:

- **Board Vacancies.** Our amended and restated bylaws and certificate of incorporation authorize our board of directors to fill vacant directorships resulting from any cause or created by the expansion of our board of directors. In addition, the number of directors constituting our board of directors may be set only by resolution adopted by our board of directors. After the Class B Threshold Date such vacancies may not be filled by stockholders. These provisions prevent a stockholder from increasing the size of our board of directors and gaining control of our board of directors by filling the resulting vacancies with its own nominees.
- **Classified Board.** Our amended and restated certificate of incorporation provides that after the Class B Threshold Date our board of directors is classified into three classes of directors. The existence of a classified board of directors could delay a successful tender offeror from obtaining majority control of our board of directors, and the prospect of that delay might deter a potential offeror.
- **Directors Removable Only for Cause.** Our amended and restated certificate of incorporation provides that after the Class B Threshold Date stockholders may remove directors only for cause.
- **Supermajority Requirements for Amendments of Our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws.** Our amended and restated certificate of incorporation further provides that, after the Class B Threshold Date, the affirmative vote of holders of at least 66 2/3% of our outstanding stockholder voting power is required to amend certain provisions of our amended and restated certificate of incorporation, including provisions relating to the classified board, the size of the board of directors, removal of directors, special meetings, actions by written

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consent, and designation of our preferred stock. After the Class B Threshold Date, the affirmative vote of holders of at least 66 2/3% of our outstanding stockholder voting power is required for the stockholders to amend or repeal our amended and restated bylaws, although our amended and restated bylaws may be amended by a simple majority vote of our board of directors.

- **Stockholder Action.** Our amended and restated certificate of incorporation provides that after the Class B Threshold Date our stockholders may not take action by written consent but may only take action at annual or special meetings of our stockholders. As a result, holders of our capital stock would not be able to amend our amended and restated bylaws or remove directors without holding a meeting of our stockholders called in accordance with our amended and restated bylaws.

Transfer Agent and Registrar

Upon the completion of this offering, the Transfer Agent and registrar for our Class A common stock and our Class B common stock will be Securitize LLC. The Transfer Agent's address is 100 Pine Street, Suite 1250, San Francisco, CA 94111 and its telephone number is 415-745-3030. The Transfer Agent maintains our shareholder records in a book-entry system, and no physical share certificates will be issued for our Class A common stock or our Class B common stock. If we make available Common Stock Tokens, the relevant blockchain for the Common Stock Tokens will contain a viewable "courtesy copy" of such records which is viewable to stockholders through our Exodus Platform, but the Transfer Agent's records constitute our official shareholder records and govern the record and beneficial ownership for our Class A common stock and our Class B common stock in all circumstances. The Transfer Agent's records will contain all shareholders' personal identifying information applicable to the transactions recorded on a blockchain network.

The Transfer Agent will also be responsible for day-to-day operations, including, but not limited to, (i) performing shareholder servicing, such as sending confirmations of transactions, periodic reports and other fund documents; (ii) answering queries from investors relating to our Class A common stock and our Class B common stock, the Common Stock Tokens or shareholder records; and (iii) interfacing with relevant service providers related to our Class A common stock and our Class B common stock or the Common Stock Tokens. The Transfer Agent will furnish written confirmations of all transactions in our common stock in the accounts, including information needed by shareholders for personal and tax records, as required by the federal securities laws and the Code. The Transfer Agent will be responsible for distributing any required disclosure documents, among other things, to shareholders.

The Transfer Agent will reconcile its records with blockchain transactions in Common Stock Tokens on at least a daily basis. If there is a difference between the Transfer Agent's records and the blockchain record, the Transfer Agent will investigate the cause, and reconcile the official record that is kept by the Transfer Agent. In the event of a conflict between the transaction history on the blockchain and the records maintained by the Transfer Agent, the Transfer Agent shall update the blockchain record and the records shown in the Exodus Platform as necessary and such update will be recorded and viewable on the blockchain and the Exodus Platform as a subsequent transaction. The Transfer Agent may also use the blockchain and Exodus Platform as a source of information in the case of a disputed transaction, including in the case of alleged fraud or theft. In such case, investors may engage with the Transfer Agent to resolve the dispute and to update both the Transfer Agent's records, the blockchain and the Exodus Platform to reflect any changes resulting from the dispute resolution process. Although the blockchain record cannot be changed, the Transfer Agent will hold a separate private key that enables it to act as the administrator on the Common Stock Token smart contract, giving the Transfer Agent the ability to freeze, revoke and reassign Common Stock Tokens if a transaction is made in error or if a private key has been lost or stolen, or if Common Stock Tokens are transferred erroneously or impermissibly. Any necessary adjustments made by the Transfer Agent will be separately recorded on the blockchain through subsequent transactions and the record shown in the Exodus Platform will be updated.

Shares Eligible for Future Sale

Prior to this Offering, there has been no public market for our Class A common stock. Our Class A common stock initially will not be listed on any securities exchange or made available to trade on any ATS. We intend to enable our Class A common stock to be available to trade on an ATS, and intend that our Class A common stock would be available for trading on the tZERO ATS. However, we cannot provide any assurance that we will be successful in enabling our Class A common stock to be available for trading on any ATS. As a result, we cannot

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assure you that there will be an active public market for our Class A common stock following this Offering. We cannot predict what effect sales of our shares in the public market or the availability of shares for sale will have on the market price of our Class A common stock. Future sales of substantial amounts of Class A common stock in the public market, including shares issued upon exercise of outstanding options or the conversion of outstanding SAFEs, or the perception that such sales may occur, however, could adversely affect the market price of our Class A common stock and also could adversely affect our future ability to raise capital through the sale of our Class A common stock or other equity-related securities at times and prices we believe appropriate.

Upon completion of this Offering, on a pro forma as adjusted basis, there will be outstanding 2,733,229 shares of our Class A common stock, 22,399,557 shares of our Class B common stock and 2,440,011 options to purchase shares of Class B common stock outstanding. All of the shares of Class A common stock expected to be sold in this Offering will be freely tradable without restriction or further registration under the Securities Act, except for shares held by our “affiliates,” as that term is defined in Rule 144 under the Securities Act. The remaining outstanding shares of our common stock and shares issuable upon the conversion or exercise of outstanding securities will be deemed “restricted securities” as that term is defined under Rule 144.

Restricted securities may be sold in the public market only if their offer and sale is registered under the Securities Act or if the offer and sale of those securities qualify for an exemption from registration, including the exemption provided by Rule 144 under the Securities Act. In general, a person who is not our affiliate for purposes of the Securities Act and has not been our affiliate at any time during the preceding three months may sell any shares of our common stock that such person has beneficially owned for at least one year and one day, including the holding period of any prior owner other than one of our affiliates, under an exemption from registration provided by Rule 144 under the Securities Act without being required to comply with the notice, manner of sale or public information requirements or volume limitation provisions of Rule 144. However, a person who has beneficially owned our common stock for at least one year and one day but who is our affiliate for purposes of the Securities Act would be subject to additional restrictions, including a limit on the number of shares that may be sold within any three-month period equal to 1% of the number of shares of our common stock then outstanding. Sales under Rule 144 by our affiliates are also subject to manner of sale provisions and notice requirements and to the availability of current public information about us. To the extent that shares were acquired from one of our affiliates, a person’s holding period for the purpose of effecting a sale under Rule 144 would commence on the date of transfer from the affiliate.

Future sales of our common stock may also be subject to applicable state securities or “blue sky” laws.

We may issue shares of our Class A common stock from time to time for a variety of corporate purposes, including in capital-raising activities through future public offerings or private placements, in connection with exercise of stock options or warrants, vesting of restricted stock units and other issuances relating to our employee benefit plans and as consideration for future acquisitions, investments or other purposes. The number of shares of our Class A common stock that we may issue may be significant, depending on the events surrounding such issuances.

Trading on an ATS

Our Class A common stock initially will not be listed on any securities exchange or made available to trade on any ATS.

We intend to make our Class A common stock available for trading on several ATSs, including on the tZERO ATS. However, we cannot provide any assurance that we will be successful in enabling our Class A common stock to be available for trading on any ATS.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of the material U.S. federal income tax consequences of the ownership and disposition of our common stock acquired in this offering by a “non-U.S. holder” (as defined below), but does not purport to be a complete analysis of all the potential tax considerations relating thereto. This summary is based upon the provisions of the United States Internal Revenue Code of 1986, as amended (the “Code”), Treasury Regulations promulgated thereunder, administrative rulings and judicial decisions, all as of the date hereof. These authorities may be changed, possibly retroactively, so as to result in U.S. federal income tax consequences different from those set forth below. We have not sought, and do not intend to seek, any ruling from the IRS, with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS or a court will agree with such statements and conclusions.

This summary also does not address the tax considerations arising under the laws of any non-U.S., state or local jurisdiction or under U.S. federal gift and estate tax rules. In addition, this discussion does not address tax considerations applicable to an investor’s particular circumstances or to investors that may be subject to special tax rules, including, without limitation:

- banks, insurance companies, regulated investment companies, real estate investment trusts or other financial institutions;
- persons subject to the alternative minimum tax or the Medicare surtax on net investment income;
- tax-exempt organizations;
- pension plans and tax-qualified retirement plans;
- controlled foreign corporations, passive foreign investment companies and corporations that accumulate earnings to avoid U.S. federal income tax;
- brokers or dealers in securities or currencies;
- traders in securities that elect to use a mark-to-market method of accounting for their securities holdings;
- persons that own, or are deemed to own, more than five percent of our capital stock (except to the extent specifically set forth below);
- certain former citizens or long-term residents of the United States;
- partnerships (or entities classified as such for U.S. federal income tax purposes), other pass-through entities, and investors therein;
- persons who hold our Class A common stock as a position in a hedging transaction, “straddle,” “conversion transaction” or other risk reduction transaction;
- persons who hold or receive our Class A common stock pursuant to the exercise of any option or otherwise as compensation;
- persons subject to special tax accounting rules as a result of any item of gross income with respect to our Class A common stock being taken into account in an “applicable financial statement” as defined in Section 451(b) of the Code;
- persons who do not hold our Class A common stock as a capital asset within the meaning of Section 1221 of the Code (generally, property held for investment); or
- persons deemed to sell our Class A common stock under the constructive sale provisions of the Code.

In addition, if a partnership, entity or arrangement classified as a partnership or flow-through entity for U.S. federal income tax purposes holds our Class A common stock, the tax treatment of a partner generally will depend on the status of the partner and upon the activities of the partnership or other entity. A partner in a partnership or other such entity that will hold our Class A common stock should consult his, her or its own tax advisor regarding the tax consequences of the ownership and disposition of our Class A common stock through a partnership or other such entity, as applicable.

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You are urged to consult your tax advisor with respect to the application of the U.S. federal income tax laws to your particular situation, as well as any tax consequences of the purchase, ownership and disposition of our Class A common stock arising under the U.S. federal gift or estate tax rules or under the laws of any state, local, non-U.S. or other taxing jurisdiction or under any applicable tax treaty.

Non-U.S. Holder Defined

For purposes of this discussion, you are a “non-U.S. holder” if you are a beneficial owner of our Class A common stock that, for U.S. federal income tax purposes, is not a partnership or:

- an individual who is a citizen or resident of the United States;
- a corporation or other entity taxable as a corporation created or organized in the United States or under the laws of the United States or any political subdivision thereof, or otherwise treated as such for U.S. federal income tax purposes;
- an estate whose income is subject to U.S. federal income tax regardless of its source; or
- a trust (x) whose administration is subject to the primary supervision of a U.S. court and that has one or more U.S. persons who have the authority to control all substantial decisions of the trust or (y) that has made a valid election under applicable Treasury Regulations to be treated as a U.S. person.

Distributions

As described in the section titled “*Dividend Policy*,” we have never declared or paid cash dividends on our common stock, and we do not anticipate paying any dividends on our Class A common stock following the completion of this offering. However, if we do make distributions on our Class A common stock, those payments will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. To the extent those distributions exceed both our current and our accumulated earnings and profits, the excess will constitute a return of capital and will first reduce your basis in our Class A common stock, but not below zero, and then will be treated as gain from the sale of stock.

Subject to the discussions below on effectively connected income and in the sections titled “*Certain United States Federal Income Tax Considerations—Backup Withholding and Information Reporting*” and “*Certain United States Federal Income Tax Considerations—Foreign Account Tax Compliance Act (FATCA)*,” any dividend paid to you generally will be subject to U.S. federal withholding tax either at a rate of 30% of the gross amount of the dividend or such lower rate as may be specified by an applicable income tax treaty between the United States and your country of residence. In order to receive a reduced treaty rate, you must provide us with a properly executed IRS Form W-8BEN or W-8BEN-E or other appropriate version of IRS Form W-8 certifying qualification for the reduced rate. If you are eligible for a reduced rate of U.S. federal withholding tax pursuant to an income tax treaty, you may obtain a refund of any excess amounts withheld by filing an appropriate claim for refund with the IRS. If you hold our Class A common stock through a financial institution or other agent acting on the non-U.S. holder’s behalf, you will be required to provide appropriate documentation to the agent, which then will be required to provide certification to us or our paying agent, either directly or through other intermediaries.

Dividends received by you that are treated as effectively connected with your conduct of a U.S. trade or business (and, if required by an applicable income tax treaty, such dividends are attributable to a permanent establishment or fixed base maintained by you in the United States) are generally exempt from the 30% U.S. federal withholding tax, subject to the discussion below on backup withholding and FATCA withholding. In order to obtain this exemption, you must provide us with a properly executed IRS Form W-8ECI or other applicable IRS Form W-8 properly certifying such exemption. Such effectively connected dividends, although not subject to U.S. federal withholding tax, are taxed at the same graduated rates applicable to U.S. persons, net of certain deductions and credits, subject to an applicable income tax treaty providing otherwise. In addition, if you are a corporate non-U.S. holder, dividends you receive that are effectively connected with your conduct of a U.S. trade or business may also be subject to a branch profits tax at a rate of 30% or such lower rate as may be specified by an applicable income tax treaty between the United States and your country of residence. You should consult your tax advisor regarding the tax consequences of the ownership and disposition of our Class A common stock, including any applicable tax treaties that may provide for different rules.

Gain on Disposition of Common Stock

Subject to the discussion in the section titled “*Certain United States Federal Income Tax Considerations—Backup Withholding and Information Reporting*”, you generally will not be required to pay U.S. federal income tax on any gain realized upon the sale or other disposition of our Class A common stock unless:

- the gain is effectively connected with your conduct of a U.S. trade or business (and, if an applicable income tax treaty so provides, the gain is attributable to a permanent establishment or fixed base maintained by you in the United States);
- you are an individual who is present in the United States for a period or periods aggregating 183 days or more during the calendar year in which the sale or disposition occurs and certain other conditions are met; or
- our Class A common stock constitutes a United States real property interest by reason of our status as a “United States real property holding corporation” (“**USRPHC**”), for U.S. federal income tax purposes at any time within the shorter of the five-year period preceding your disposition of, or your holding period for, our Class A common stock.

We believe that we are not currently and will not become a USRPHC for U.S. federal income tax purposes, and the remainder of this discussion so assumes. However, because the determination of whether we are a USRPHC depends on the fair market value of our U.S. real property relative to the fair market value of our U.S. and worldwide real property plus our other business assets, there can be no assurance that we will not become a USRPHC in the future. Even if we become a USRPHC, however, as long as our Class A common stock is regularly traded on an established securities market, your Class A common stock will be treated as U.S. real property interests only if you actually (directly or indirectly) or constructively hold more than five percent of such regularly traded Class A common stock at any time during the shorter of the five-year period preceding your disposition of, or your holding period for, our Class A common stock.

If you are a non-U.S. holder described in the first bullet above, you will be required to pay tax on the gain derived from the sale (net of certain deductions and credits) under regular graduated U.S. federal income tax rates, and a corporate non-U.S. holder described in the first bullet above also may be subject to the branch profits tax at a 30% rate, or such lower rate as may be specified by an applicable income tax treaty. If you are an individual non-U.S. holder described in the second bullet above, you will be subject to tax at 30% (or such lower rate specified by an applicable income tax treaty) on the gain derived from the sale, which gain may be offset by U.S. source capital losses for the year, provided you have timely filed U.S. federal income tax returns with respect to such losses. You should consult your tax advisor regarding any applicable income tax or other treaties that may provide for different rules.

Backup Withholding and Information Reporting

Generally, we must report annually to the IRS the amount of dividends paid to you, your name and address and the amount of tax withheld, if any. A similar report will be sent to you. Pursuant to applicable income tax treaties or other agreements, the IRS may make these reports available to tax authorities in your country of residence.

Payments of dividends on or of proceeds from the disposition of our Class A common stock made to you may be subject to information reporting and backup withholding at a current rate of 24% unless you establish an exemption, for example, by properly certifying your non-U.S. status on a properly completed IRS Form W-8BEN or W-8BEN-E or another appropriate version of IRS Form W-8. Notwithstanding the foregoing, backup withholding and information reporting may apply if either we or our paying agent has actual knowledge, or reason to know, that you are a U.S. person.

Backup withholding is not an additional tax; rather, the U.S. federal income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund or credit may generally be obtained from the IRS, provided that the required information is furnished to the IRS in a timely manner.

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Foreign Account Tax Compliance Act (FATCA)

The Foreign Account Tax Compliance Act, Treasury Regulations issued thereunder and official IRS guidance, collectively “**FATCA**,” generally impose a U.S. federal withholding tax of 30% on dividends on, and the gross proceeds from a sale or other disposition of our Class A common stock, paid to a “foreign financial institution” (as specially defined under these rules), unless otherwise provided by the Treasury Secretary or such institution enters into an agreement with the U.S. government to, among other things, withhold on certain payments and to collect and provide to the U.S. tax authorities substantial information regarding the U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners) or otherwise establishes an exemption. FATCA also generally imposes a U.S. federal withholding tax of 30% on dividends on and the gross proceeds from a sale or other disposition of our Class A common stock paid to a “non-financial foreign entity” (as specially defined under these rules) unless otherwise provided by the Treasury Secretary or such entity provides the withholding agent with a certification identifying the substantial direct and indirect U.S. owners of the entity, certifies that it does not have any substantial U.S. owners, or otherwise establishes an exemption.

The withholding obligations under FATCA generally apply to dividends on our Class A common stock. The Treasury Secretary has issued proposed regulations providing that the withholding provisions under FATCA do not apply with respect to payment of gross proceeds from a sale or other disposition of our Class A common stock, which may be relied upon by taxpayers until final regulations are issued. The withholding tax will apply regardless of whether the payment otherwise would be exempt from U.S. nonresident and backup withholding tax, including under the other exemptions described above. Under certain circumstances, a non-U.S. holder might be eligible for refunds or credits of such taxes. An intergovernmental agreement between the United States and an applicable foreign country may modify the requirements described in this section. Prospective investors should consult with their own tax advisors regarding the application of FATCA withholding to their investment in, and ownership and disposition of, our Class A common stock.

The preceding discussion of U.S. federal tax considerations is for general information only. It is not tax advice to investors in their particular circumstances. Each prospective investor should consult its own tax advisor regarding the particular U.S. federal, state and local and non-U.S. tax consequences of purchasing, holding and disposing of our Class A common stock, including the consequences of any proposed change in applicable laws

PLAN OF DISTRIBUTION

Securities being issued

We and the selling stockholders are offering up to \$75,000,000 in shares of our Class A common stock. The shares will be issued in book-entry form as reflected on the books of our Transfer Agent. For more information, see “*Description of Capital Stock*.” Purchases or transfers of our Class A common stock will be executed by the Transfer Agent.

The shares of Class A common stock offered pursuant to this offering circular will be offered by us and the selling stockholders. 1,914,661 shares of Class A common stock, representing \$52.5 million in offering proceeds, will initially be offered by us in what we refer to as the “**Primary Offering**.”

After we sell all shares of Class A common stock in the Primary Offering, the selling stockholders will have the opportunity to offer an additional 818,568 shares of Class A common stock, representing a total of \$22.5 million in offering proceeds, in the “**Secondary Offering**” as set forth below. If we do not sell all shares of Class A common stock in the Primary Offering, the Secondary Offering will not occur, and no offers by the selling stockholders will be made. In order to facilitate the offer and sale of the Class A common stock, we have entered into a custody agreement with each selling stockholder, and each selling stockholder has granted us an irrevocable power of attorney, so as to enable us to sell the relevant selling stockholder’s shares on their behalf.

The Secondary Offering will be made as follows:

- (1) Group 1: First, the employees of ours (other than Jon Paul Richardson and Daniel Castagnoli) identified in “*Principal and Selling Stockholders*,” as Group 1 participants will have an opportunity to offer up to 296,997 shares of Class A common stock, representing up to \$8.15 million in offering proceeds, upon conversion of any shares of Class B common stock held by such employees, allocated on a *pro rata* basis commensurate with each such employee’s relative ownership of our common stock. Offers by such employees will terminate when 296,997 shares of Class A common stock have been sold by such employees, or at such time as we determine, in our sole discretion, that such employees do not intend to sell the full number of shares allocated to them.
- (2) Group 2: Second, after all shares allocated to Group 1 participants have been subscribed for, our non-affiliate stockholders identified in the section of this offering circular captioned “*Principal and Selling Stockholders*” as Group 2 participants will have an opportunity to offer up to 273,521 shares of Class A common stock, representing up to \$7.5 million in offering proceeds, upon conversion of any shares of Class B common stock held by such stockholders, allocated on a *pro rata* basis commensurate with each such stockholder’s relative ownership of our common stock. Offers by such non-affiliate stockholders will terminate when 273,521 shares of Class A common stock have been sold by such non-affiliate stockholders, or at such time as we determine, in our sole discretion, that such non-affiliate stockholders do not intend to sell the full number of shares allocated to them.
- (3) Group 3: Third, after all shares allocated to Group 2 and Group 3 have been subscribed for, Mr. Richardson and Mr. Castagnoli will have an opportunity to offer up to 248,050 shares of Class A common stock, representing up to \$6.85 million in offering proceeds, upon conversion of any shares of Class B common stock held by such stockholders, allocated on a *pro rata* basis commensurate with Mr. Richardson’s and Mr. Castagnoli’s respective relative ownership of our common stock. Offers by Mr. Richardson and Mr. Castagnoli will terminate when 248,050 shares of Class A common stock have been sold by Mr. Richardson and Mr. Castagnoli, or at such time as we determine, in our sole discretion, that Messrs. Richardson and Castagnoli do not intend to sell the full number of shares allocated to them.

Any shares of Class A common stock that the selling stockholders decline to offer may instead be offered by us upon the completion or termination of the Secondary Offering. In no circumstance will the total amount of Class A common stock offered by us and the selling stockholders exceed \$75.0 million in the aggregate, nor will the amount of Class A common stock offered by the selling stockholders exceed \$22.5 million, or 30% of the aggregate offering price of the Class A common stock offered by us and the selling stockholders in this offering. In regard to the Secondary Offering, each group of offered shares must be fully subscribed for before we will permit the offering of the next group of shares.

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Sales by officers and directors

As noted above, certain of our officers and directors may make offers and sales of our Class A common stock in this offering, either on our behalf or on behalf of the selling stockholders (which may include certain of our officers and directors). To the extent that our officers and directors make any such sales, they will rely on the safe harbor from broker-dealer registration set out in Rule 3a4-1 of the Securities Exchange Act of 1934, as amended (“**Exchange Act**”). Our officers and directors may rely upon the safe harbor in Rule 3a4-1 because: (i) they are not subject to any statutory disqualifications, as defined in Section 3(a)(39) of the Exchange Act, (ii) they will not be compensated in connection with the sale of the Company’s securities by the payment of commissions or other remuneration based either directly or indirectly on transactions in the securities, (iii) they are not associated persons of a broker or dealer, (iv) they will primarily perform, at the end of the offering, substantial duties for or on behalf of the Company, otherwise than in connection with transactions in securities, (v) they were not a broker or dealer, or associated persons thereof, within the preceding 12 months, and (vi) they do not participate in selling an offering of securities for any issuer more than once every 12 months, except in reliance on (iv) and (v) above.

Common Stock Tokens

Our Class A common stock exists solely as book-entry shares within the records of the Transfer Agent. Shares of our Class A common stock will not have traditional share certificates. We intend that each share of our Class A common stock will be represented by a digital Common Stock Token that will be viewed through the Exodus Platform. At the time of the commencement of this Offering, our Common Stock Tokens will not yet be available. We expect that our Common Stock Tokens will be available within nine months of the qualification of this offering. If we make Common Stock Tokens available we will notify our Class A common stock holders by filing a Form 1-U, contacting the holders of our Class A common stock directly through our desktop and mobile apps, and posting notices on our desktop and mobile apps. Common Stock Tokens are not shares of Class A common stock; rather, they are digital representations of the number of shares purchased and held by a given stockholder. It may be helpful to view this digital stock record as similar to a paper stock certificate—the digital stock record is a representation of how many shares of Class A common stock are owned by an individual, and a holder can reasonably expect that the digital stock record is correct, but the digital stock records are not the actual shares. We recognize that the use of Common Stock Tokens as representations of the number of shares purchased and held by a given stockholder is novel, and therefore if we make Common Stock Tokens available, we reserve the right to discontinue the usage of Common Stock Tokens and revert to traditional or other methods of share certification. We may choose to discontinue the usage of Common Stock Tokens so as to permit our Class A common stock to trade on a trading platform that is not currently equipped to handle digital tokens as a method of share certification. Should we choose to discontinue the usage of Common Stock Tokens and revert to traditional or other methods of share certification, this decision would have no effect on the ability of holders of our Class A common stock to trade their Class A common stock on an ATS or through other means. We would notify holders of our Common Stock Tokens of any decision to make Common Stock Tokens available or discontinue their use by (1) posting a notice on the Exodus Platform that would be viewable when a holder signs onto the Exodus Platform, (2) delivering a notice to each holder by electronic mail and (3) filing with the SEC a Current Report Pursuant to Regulation A on Form 1-U. If we make Common Stock Tokens available, the ownership and transfer of shares of our Class A common stock will be recorded in book-entry form by the Transfer Agent and, in parallel, will also be recorded by the Transfer Agent on the relevant blockchain using the Common Stock Tokens.

Although records of secondary transfers of Common Stock Tokens between stockholders, which we refer to as “peer-to-peer” transactions, would be viewable on a blockchain network, record and beneficial ownership of our Class A common stock is reflected on the book-entry records of the Transfer Agent. The Transfer Agent is regulated by the SEC and the Transfer Agent’s records constitute the official shareholder records for our Class A common stock and govern the record ownership of our Class A common stock in all circumstances.

Common Stock Tokens are “Securitize DS Protocol” digital tokens that are transferrable between approved accounts in peer-to-peer transactions on a blockchain network, as described below under “—Trading shares of Exodus Class A common stock following the closing of this offering”. Common Stock Tokens are created, held, distributed, maintained and deleted by the Transfer Agent, and not by Exodus and cannot be created or deleted by any entity other than the Transfer Agent.

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The Transfer Agent uses the Securitize DS Standard (which can interface with various blockchain networks' programming standards) to program any relevant compliance-related transfer restrictions that would traditionally have been printed on a paper stock certificate onto "smart contracts" (computer programs written to the relevant blockchain), which allows the smart contract to impose the relevant conditions on the transfer of the Common Stock Tokens. One example of such coding is a restriction on to whom Common Stock Tokens may be transferred. The restrictions are coded as a smart contract that overlays the Common Stock Token, and the restrictions act in the same way as transfer restrictions printed on a stock certificate do, in that they prevent the unauthorized transfer of shares. Relevant transfer restrictions will be provided to the Transfer Agent by the Company.

How to purchase shares of our Class A common stock in this offering

Creation of an account

In order to purchase shares of our Class A common stock, a new potential purchaser must first create an account on the website of our Transfer Agent. There is no charge for setting up this account and any person or entity that establishes an account is under no obligation to participate in the Offering. Setting up an account can be done directly on the website of the Transfer Agent, or it can be done through a link to the Transfer Agent's website from within the Exodus Platform. In order to set up an account with the Transfer Agent through a link on the Exodus Platform, a potential purchaser must navigate to www.exodus.com, download the desktop version of the Exodus Platform and follow the installation instructions to set up the Exodus Platform on their computer. Once the potential purchaser has set up the Exodus Platform and created an account on the Exodus Platform, the potential purchaser must click on a link to the Transfer Agent's website that appears within the Exodus Platform. The link will open up the potential purchaser's web browser and take the potential purchaser to the website of the Transfer Agent.

All information provided by a potential purchaser to the Transfer Agent is provided by the potential purchaser directly to the Transfer Agent, not to Exodus, and held solely by the Transfer Agent and not by Exodus. The Transfer Agent will maintain the identity of each record holder of our Class A common stock.

On the Transfer Agent's website, a potential purchaser must complete required anti-money laundering and know-your-customer processes (the "**Processes**"). As part of the Processes, the Transfer Agent will request that potential purchasers provide their address of residence. We will not offer or sell our Class A common stock within Arizona, Florida or Texas, or to residents of those states. Therefore, residents of Arizona, Florida and Texas will not be approved to be eligible to purchase Class A common stock. Once a potential purchaser has completed the Processes and been approved to be eligible to purchase Class A common stock, the potential purchaser's identity will be added to the Transfer Agent's "whitelist." The whitelist is a list maintained by the Transfer Agent of approved persons or entities who have complied the required Processes, including providing the Transfer Agent with various required personal information and documentation. Class A common stock may only be sold or transferred to people or entities on the whitelist. It is possible that in the future the Company may either choose to hire a separate, third-party provider of the Processes or this task may be performed by a broker affiliated with an ATS on which the Company's Class A common stock will trade. In either case, such external providers would perform the Processes and provide the results to the Transfer Agent, who would then add the approved persons and entities to the whitelist.

Once a potential purchaser has completed the Processes and been added to the whitelist, the potential purchaser will be shown a link that returns the potential purchaser to the Exodus Platform. On the Exodus Platform, a potential purchaser will be asked to certify that they are either an accredited investor within the meaning of Regulation D under the Securities Act, or that their investment in Exodus Class A common stock does not represent more than 10% of the greater of their annual income or net worth (for natural persons), or 10% of the greater of annual revenue or net assets at fiscal year-end (for non-natural persons). In addition, the potential purchaser will be provided with all necessary documentation that must be supplied to a potential purchaser in order for the potential purchaser to take part in this Offering. Such documentation will include relevant investor disclosure such as the offering circular. The potential purchaser will then be able to review and sign the relevant documents, such as subscription agreements and investor disclosures and confirm their purchase of the Class A common stock being sold in this Offering. The potential purchaser will provide information for funding their purchase through the Exodus Platform, and the information will be sent directly to the Transfer

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Agent through a user interface that has been consented to by the Transfer Agent. This user interface between the Transfer Agent and the Exodus Platform will also allow a potential purchaser to view the amount of Class A common stock the potential purchaser has deposited funds for on both the Exodus Platform and on the website of the Transfer Agent.

Prior to the qualification of the offering, we have engaged in testing-the-waters activities that utilize the Exodus Platform. We have provided potential investors with a link to the Securitize platform where they can complete the Processes and we have allowed them to provide us with an expression of interest in the offering by signing up and requesting more information about the offering. We will not make any offering of securities unless an offering statement has been filed with the SEC and we will not make any sale of securities until an offering statement has been qualified by the SEC.

Issuance of Class A common stock and Common Stock Tokens

The initial issuance of shares of Class A common stock at the closing of this Offering will be made by the Transfer Agent to the potential purchasers who created accounts with the Transfer Agent, were added to the Transfer Agent's whitelist and deposited payment for their potential purchase into the crypto escrow wallet. Once the purchase of our Class A common stock has been completed, and if we make available Common Stock Tokens, each purchaser would be represented on the blockchain used by the Common Stock Tokens with a unique identification number built from the whitelisting information provided by such purchaser.

The Class A common stock is priced in U.S. dollars. In order to purchase our Class A common stock, potential purchasers must pay the purchase price for our Class A common stock in either Bitcoin, Ether, or USDC.

All proceeds for the sale of our Class A common stock will be held in escrow by us until the closing of this offering. If the Offering is terminated or expires prior to the closing of the Offering and no shares of our Class A common stock have been issued, we will release the escrowed proceeds back to the relevant purchasers. We will not use a third-party escrow agent in connection with this offering. All of the Bitcoin, Ether and USDC proceeds for the sale of our Class A common stock will be held by Exodus in a separate wallet designated as the "crypto escrow wallet." The value in U.S. dollars of the Bitcoin, Ether or USDC used to purchase shares of our Class A common stock is calculated at the point at which the purchaser transfers such crypto asset to the crypto escrow wallet, and is recorded by Exodus at such point of transfer. Exodus will not convert crypto asset payments into U.S. dollars at any time during the escrow period, and will not make any adjustments to the U.S. dollar conversion amounts to reflect changes in the value of such crypto assets during the escrow period.

If we reject your subscription for any reason, our sole obligation to participants in this offering will be to return to such participants, without interest or penalty, as soon as practicable, such participants' subscription payments in the amount and form of payment that was made on the original date of payment. Payment will be returned in the same crypto asset that it was made in. Consequently, for participants who utilize crypto assets to purchase Class A common stock, the amount and type of crypto assets returned to such participants will be the same amount and same type of crypto asset used to make the payment on the original date of payment. A participant will not be permitted to receive a return payment in any form of payment different than the one the participant used on the original date of payment.

This offering will close upon the earliest of (1) December 31, 2021, (2) the date at which \$75 million of our Class A common stock has been sold, (3) the date which is one year after this offering is qualified by the SEC, or (4) the date on which this offering is earlier terminated by the Company in its sole discretion.

Upon the closing of this offering, the Transfer Agent will record the issuance of each share of Class A common stock to the relevant purchasers via the book-entry method. Upon completion of the book-entry record, if we make available Common Stock Tokens, the Transfer Agent would then transfer one Common Stock Token per share of Class A common stock purchased to the purchaser's Exodus wallet, the address of which the purchaser will have provided to the Transfer Agent during the process of creating their account with the Transfer Agent.

Following the closing of this offering, a number representing the number of shares of Class A common stock held by the stockholder will be visible on the Exodus Platform and on the Transfer Agent's website. On the Transfer Agent's website, stockholders can view their stock holdings, review stockholder correspondence and disclosures from the Company, and sign stockholder documents.

Trading shares of Exodus Class A common stock following the closing of this offering

Peer to peer transactions

Following the closing of this offering, our Class A common stock may be sold in peer-to-peer transactions and the Common Stock Tokens transferred in accordance with such sales, subject to satisfaction of compliance-related transfer restrictions coded onto the Common Stock Tokens. Holders of shares of our Class A common stock may transfer such shares through the book-entry transfer facilities of the Transfer Agent even if there is no means by which to separately transfer the Common Stock Tokens.

Once the Offering has closed, and if we make Common Stock Tokens available, the Transfer Agent will use a two-step process to ensure that any subsequent peer to peer transfers of the Company's Class A common stock are made in compliance with federal securities laws.

The following description assumes that Common Stock Tokens have been made available. In order for any subsequent peer to peer transfer of Class A common stock utilizing the Common Stock Tokens to occur, (i) the holder and recipient of the Class A common stock must be on the whitelist and (ii) the transfer must not violate any of the Class A common stock transfer restrictions that have been programmed onto the holder's Common Stock Tokens. All transfers of Common Stock Tokens must comply with the Class A common stock transfer restrictions programmed onto the Common Stock Tokens. It is anticipated that peer to peer transfers will occur in the following way:

1. A holder of Class A common stock opens the Exodus platform and clicks on the "Offering App," a specific app within the Exodus platform. The Offering App is connected to the Transfer Agent through an API connection, which allows the Offering App and the Transfer Agent to share information. When the holder opens the app, the holder will see the number of Common Stock Tokens that the holder possesses, each one of which represents a share of Class A common stock owned by the holder.
2. The holder types into the Offering App the wallet address that represents the person or entity to whom the holder wishes to transfer Class A common stock. The holder then types into the Offering App the number of Common Stock Tokens to be transferred from the holder's wallet address to the wallet address representing the recipient. The holder then initiates the transfer. When the holder initiates the transfer, the holder is initiating a transfer of Common Stock Tokens that represent the number of shares of Class A common stock that the holder wishes to transfer, and it is the Common Stock Tokens that will move on a blockchain network from the wallet address of the holder to the wallet address of the recipient.
3. When a transfer as described above has been initiated, all relevant information about the transfer, including the identity of the holder and the wallet addresses of the holder and the potential recipient, is sent from the Company to the Transfer Agent through the API connections. The Transfer Agent's Securitize DS Standard protocol checks the unique identification number assigned to both the sender's and the receiver's wallet addresses, which was assigned as part of the whitelisting process. If either the sender or the receiver do not have a whitelisted identification number, the transfer will not be permitted by the protocol. In addition, the Securitize DS Standard protocol checks the transfer restrictions encoded on the holder's Common Stock Tokens to ensure that the proposed transfer does not violate any of the transfer restrictions.
4. When the Transfer Agent's validation process is complete, and the Securitize DS Standard protocol has approved the transfer, the transfer of the Common Stock Token will be permitted. Simultaneous with the transfer of the Common Stock Token, the Transfer Agent will record a transfer of the Class A common stock in the book-entry stock records of the Company.
5. The Transfer Agent performs a reconciliation process between its book-entry records of the Company's Class A common stock and the movement of the Common Stock Tokens on their blockchain on a daily basis. The Transfer Agent has standard internal procedures to identify and resolve any discrepancies it identifies during the reconciliation process. There is also a process by which holders of Class A common stock can request the Transfer Agent review their transactions if holders of Class A common stock believe that there is a discrepancy between the record of the Common Stock Tokens' movements on the blockchain and the book-entry records of the Company. ***Should there be any unresolved***

discrepancy regarding any transfer of Common Stock Tokens or shares of Class A common stock, the Transfer Agent's book-entry records shall constitute the official shareholder records for our Class A common stock and govern the record ownership of our Class A common stock in all circumstances.

In order to transfer Common Stock Tokens on the Ethereum Blockchain, the Ethereum Blockchain requires the payment of network fees, sometimes referred to as “gas fees.” These fees are payments made by users of the Ethereum Blockchain to the Ethereum Blockchain miners to compensate the miners for the computing energy required to process and validate transactions on the Ethereum Blockchain. The gas fee is determined by the Ethereum miners, and the miners can choose to decline to process a transaction if the gas fee does not meet their specified threshold. As a result, the amount of the gas fee can vary, and can increase due to increased demand for the miners’ services in processing Ethereum transactions. In 2020, the average transaction gas fee for Ethereum ranged from \$0.07 to \$12.54, but in February 2021, the gas fee reached a high price of \$252.33. If we choose to make available Common Stock Tokens on the Ethereum Blockchain, any such gas fees will be paid by the person or entity that holds and is choosing to transfer Common Stock Tokens. Exodus reserves the right to utilize alternative blockchains for the Common Stock Tokens, and will provide holders of its Common Stock Tokens with appropriate notification should it choose to make available Common Stock Tokens on any blockchain, or if Exodus should choose to change the blockchain on which Common Stock Tokens were available.

If we choose to make available Common Stock Tokens, records of transfers of Common Stock Tokens would be viewable on the Common Stock Token's blockchain. However, record and beneficial ownership of our Class A common stock is reflected on the records of the Transfer Agent. The Transfer Agent is regulated by the SEC and the Transfer Agent's records constitute the official shareholder records for our Class A common stock and govern the record ownership of our Class A common stock in all circumstances.

Transfers on an ATS, if available

We are in discussions with several ATSs regarding the availability of our Class A common stock for trading; however, these discussions may not be successful, and there can be no assurance that our Class A common stock will become available for trading on an ATS in the near term or at all. If, in the future, our Class A common stock were to become available for trading on an ATS we will provide all holders of our Class A common stock with instruction on how to access the ATS and how to trade their Class A common stock on any such ATS. We believe the procedure for trading Class A common stock on an ATS would have the following general structure:

1. A holder of Class A common stock opens the Exodus platform and clicks on the “ATS App,” a specific app within the Exodus platform. The ATS App will connect the holder, through an API, to the ATS on which the Class A common stock is available to trade.
2. The ATS will either require holders of Class A common stock to open accounts on the ATS and confirm that the holder has completed the Processes, as defined above, or the ATS will maintain a connection to the Transfer Agent and will be able to import the Transfer Agent’s information about the holder to identify the holder.
3. The holder will be able to trade shares of the Class A common stock on the ATS once the ATS has received its required information about the holder.
4. If the ATS supports the Common Stock Tokens, and Common Stock Tokens have been made available, the ATS will maintain a technologic connection to the Transfer Agent, and the Transfer Agent will validate for the ATS any proposed transfers of Common Stock Tokens using the same system described for peer to peer transfers. The Transfer Agent will also maintain the same system of reconciliation between the blockchain record of the movements of the Common Stock Tokens and the Company’s book-entry records of its Class A common stock ownership.

It is possible that if our Class A common stock were to become available for trading on an ATS, potential purchasers who do not yet hold Class A common stock will be required to complete the Processes, as defined above, on the Transfer Agent’s website, or the Company may either choose to hire a separate, third-party provider of the Processes or have the Processes performed by a broker affiliated with an ATS on which the Company’s Class A common stock will trade. Any such external provider that performs the Processes would provide the results of the Processes and other relevant information about the potential purchaser to the Transfer Agent, who would then add any approved persons and entities to the whitelist, as described above.

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Transfers of Class A common stock without Common Stock Tokens

It is always possible for holders of our Class A common stock to transfer their shares without using the Common Stock Tokens. To undertake such a transfer, the holder would contact the Transfer Agent and provide the Transfer Agent with all requested information regarding the transfer. The Transfer Agent would review the transfer restrictions applicable to the holder's Class A common stock and, if the proposed transfer was permitted, would record the transfer of the shares using the book-entry method. If Common Stock Tokens were made available, a transfer of shares undertaken in this manner would not be recorded on the blockchain record of the Common Stock Tokens.

Transferring accounts and changing systems

We retain the right to select and change our transfer agent. We may choose to change our transfer agent, and if we were to do so, our current Transfer Agent would directly provide all stockholder data to the new transfer agent. As we do not retain any of our stockholders' personal information in their capacity as stockholders, we are not able to directly transfer this information. We also retain the right to list our Class A common stock on different trading platforms, which may or may not support our Common Stock Tokens. Should we choose to list on a different trading platform, our current Transfer Agent would directly provide all stockholder data to the relevant transfer agent for the new platform. If the new platform did not support our Common Stock Tokens, this would not affect the valid issuance of our Class A common stock nor would it affect the records of the Transfer Agent in regard to our Class A common stock.

State Law Exemption

We will not offer or sell our Class A common stock within Arizona, Florida or Texas, or to any resident of those states. As a Tier 2 offering pursuant to Regulation A under the Securities Act, this offering will be exempt from state "Blue Sky" law review, subject to certain state filing requirements and anti-fraud provisions, to the extent that our Class A common stock is offered and sold only to "qualified purchasers" or if our Class A common stock were to be listed on a national securities exchange. "Qualified purchasers" include: (i) "accredited investors" under Rule 501(a) of Regulation D and (ii) all other investors so long as their investment in our Class A common stock does not represent more than 10% of the greater of their annual income or net worth (for natural persons), or 10% of the greater of annual revenue or net assets at fiscal year-end (for non-natural persons). Accordingly, we reserve the right to reject any investor's subscription in whole or in part for any reason, including if we determine in our sole and absolute discretion that such investor is not a "qualified purchaser" for purposes of Regulation A.

LEGAL MATTERS

The validity of the securities offered hereby will be passed upon for us by Wilson Sonsini Goodrich & Rosati, Professional Corporation, Palo Alto, California.

EXPERTS

The consolidated financial statements as of December 31, 2020 and December 31, 2019 included in this offering circular have been so included in reliance on the report of WithumSmith+Brown, PC, an independent certified public accounting firm, given on the authority of said firm as experts in auditing and accounting.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC an offering circular on Form 1-A under the Securities Act with respect to the shares of our Class A common stock offered by this offering circular. This offering circular, which constitutes a part of the offering statement, does not contain all of the information set forth in the offering statement, some items of which are contained in exhibits to the offering statement as permitted by the rules and regulations of the SEC. For further information with respect to us and our Class A common stock, we refer you to the offering statement, including the exhibits filed as a part of the offering statement. Statements contained in this offering circular concerning the contents of any contract or document referred to are not necessarily complete. If a contract or document has been filed as an exhibit to the offering statement, please see the copy of the contract or document that has been filed. Each statement in this offering circular relating to a contract or document filed as an exhibit is qualified in all respects by the filed exhibit.

You may read and copy the offering statement, including the exhibits and schedules thereto, at the Public Reference Section of the SEC, 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You may obtain information on the operation of the public reference rooms by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet website that contains reports, proxy statements and other information about issuers, like us, that file electronically with the SEC. The address of that website is www.sec.gov. We also maintain a website at www.exodus.com, at which you may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. Information contained on our website is not a part of this offering circular and the inclusion of our website address in this offering circular is an inactive textual reference only.

As a result of this offering, we will become subject to the reporting requirements under Regulation A and, in accordance with this regulation, will file periodic reports, current reports, exit reports (if and when applicable), and other information with the SEC. These periodic reports, current reports, exit reports (if and when applicable), and other information will be available for inspection and copying at the SEC's public reference facilities and the website of the SEC referred to above.

EXODUS MOVEMENT, INC.

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Consolidated Financial Statements

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INDEPENDENT AUDITOR'S REPORT

Board of Directors and Stockholders,
Exodus Movement, Inc.:

We have audited the accompanying consolidated financial statements of Exodus Movement, Inc. (the "Company"), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, the related consolidated statements of operations and comprehensive income (loss), changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019 and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter — Uncertainties Related to Cryptocurrency Assets (also referred to as "Digital Currencies")

As disclosed in Note 3 to the consolidated financial statements, the Company held digital currencies with a carrying value of approximately \$7.7 million and \$3.5 million, in digital currencies, representing approximately 37% and 36% of total assets at December 31, 2020 and 2019, respectively. In addition, the Company's customers utilize the Company's un-hosted and non-custodial cryptocurrency software wallets to hold their personal digital assets. Significant information and risks related to such currencies includes, but is not necessarily limited to the following:

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Digital Currencies are Unregulated and Have Risks of Ownership

As of the date of these consolidated financial statements, cryptocurrencies are not subject to any regulatory oversight and while the public keys (e.g. account numbers) of virtual wallets holding cryptocurrencies reside on distributed networks and can be viewed publicly, the ownership of the wallets are not registered and therefore, anonymous. Ownership in the currencies residing in any wallet are evidenced only by demonstrating knowledge of both the public key of the virtual wallet holding the currencies and the underlying private key (e.g. passcode) of the cryptocurrencies residing within the virtual wallet. Knowledge of both these keys is required in order to demonstrate possession of the cryptocurrencies and therefore, ownership. Accordingly, prior to investing, investors who are directly or indirectly invested in such currencies should carefully evaluate and understand all relevant internal controls put in place by companies holding such assets on their behalf to understand how their investments are being protected and how inappropriate transfers of such assets are prevented.

Risks Related to Maintaining Private Key Security

Digital currency assets require the execution of the aforementioned confidential encrypted private key in order to initiate a transfer of the asset to another party. If the private key were to become lost, the Company would not be able to access the digital currency assets, thereby deeming the asset worthless to the Company. In addition, if another party were to gain access to the private key, along with the public key of the wallet holding the digital currencies, the other party could demonstrate ownership of the digital currencies and could either execute a transfer of the cryptocurrency asset or inappropriately utilize the digital currency assets as collateral for unauthorized financing.

Risks Related to Current and Continued Market Acceptance

Cryptocurrency assets are virtual currencies that have recently become significant in the marketplace and utilize blockchain technology in order to account for the transfer of such assets. These virtual assets have significant market volatility, which can significantly vary in a short period of time and can potentially vary between various pricing sources. These virtual assets are highly speculative in nature, and have potentially significant risks of ownership, which include, but are not necessarily limited to risks identified herein.

Regulatory Oversight and Considerations

As of the date of these financial statements, the U.S. Securities and Exchange Commission has expressed concerns regarding the adequacy and accuracy of marketplace information of cryptocurrency assets, which could impact individual state blue sky laws, potentially impacting the exchange of such assets for more widely accepted currencies, such as the US Dollar. In the event that regulations were implemented to address these concerns, such regulations could potentially have a significant adverse effect on the realization of these digital currency assets.

Risks Associated With a Cryptocurrency Majority Control

Since cryptocurrencies are virtual and transactions in such currencies reside on distributed networks, governance of the underlying distributed network could be adversely altered should any individual or group obtain 51% control of the distributed network. Such control could have a significant adverse effect on either the ownership or value of the cryptocurrency.

Financial Reporting Risks Related to Digital Currency Valuation

As of the date of these consolidated financial statements, there is currently no specific authoritative accounting literature under accounting principles generally accepted in the United States of America (U.S. GAAP) which addresses the accounting for digital assets, including digital currencies. Certain non-authoritative sources have concluded that digital currencies should be accounted for as intangible assets, where the digital currency asset should be recorded at the lower of its original cost or fair value, whereby any recorded write-downs could not be recovered in the future. The Company's management has concluded that its digital currency assets should be valued at cost and reduced for any identified impairment charges, which is consistent with current practices. In the event that specific authoritative accounting guidance were to be issued after the release of these consolidated financial statements and such guidance was inconsistent

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with management's current accounting for its digital assets and a restatement would be determined to be required, any resulting restatement could have a significant impact on the Company's financial position, results of operations, and cash flows. The timing of any such authoritative guidance, if issued at all, is not determinable as of the date of these financial statements.

Risks Related to Transaction Authentication

As of the date of these consolidated financial statements, the transfer of digital currency assets from one party to another currently typically relies on an authentication process by an outside party known as a miner (or another authenticating party). In exchange for compensation, the miner will authenticate the transfer of the currency through the solving of a complex algorithm known as a proof of work, or will vouch for the transfer through other means, such as a proof of stake. Effective transfers of and therefore realization of cryptocurrency is dependent on interactions from these miners. In the event that there were a shortage of miners to perform this function, that shortage could have an adverse effect on either the fair value or realization of the cryptocurrency assets.

As discussed herein, holdings in digital currency assets are subject to current, emerging and potentially significant risks, including, but not necessarily limited to legal, regulatory, market valuation and proof of ownership risks. These risks are described in greater detail in Note 1 to the consolidated financial statements. Users of financial statements for entities that are associated with or hold cryptocurrency assets should carefully understand, consider and evaluate these and other risks related to cryptocurrency assets, when making investing decisions in such entities. Our opinion is not modified with respect to this matter.

/s/ WithumSmith+Brown, PC

New York, New York
February 26, 2021

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Exodus Movement, Inc. and subsidiaries
Consolidated Balance Sheets
(\$ in thousands)

ASSETS

	2020	2019
	(Amounts in Thousands)	
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,612	\$ 2,890
Restricted cash	—	235
Accounts receivable	2,753	413
Prepaid expenses	3,894	1,133
Other current assets	3	103
Total current assets	9,262	4,774
OTHER ASSETS		
Fixed assets, net	390	352
Digital assets, net	7,668	3,477
Software assets, net	2,248	980
Deferred offering costs	1,183	—
Deferred tax assets	—	52
Total other assets	11,489	4,861
TOTAL ASSETS	\$20,751	\$ 9,635
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 443	\$ 91
Payroll liabilities	679	701
Taxes payable	338	—
Deferred revenue	77	—
Current portion of note payable	—	44
Total current liabilities	1,537	836
LONG-TERM LIABILITIES		
SAFE notes	538	538
Deferred tax liability	853	—
Note payable, less current portion	—	176
Total long-term liabilities	1,391	714
Total liabilities	2,928	1,550
STOCKHOLDERS' EQUITY		
Preferred stock		
\$0.000001 par value, 5,000,000 shares authorized, no shares issued and outstanding	—	—
Class A common stock		
\$0.000001 par value, 32,500,000 shares authorized, no shares issued or outstanding for the year ended December 31, 2020	—	—
Class B common stock		
\$0.000001 par value, 27,500,000 shares authorized, 20,000,000 issued and outstanding for the year ended December 31, 2019	—	—
20,011,830 issued and outstanding for the year ended December 31, 2020	—	—
ADDITIONAL PAID IN CAPITAL	2,621	1,308
ACCUMULATED OTHER COMPREHENSIVE INCOME	248	—
RETAINED EARNINGS	14,954	6,777
Total stockholders' equity	17,823	8,085
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$20,751	\$ 9,635

The accompanying notes are an integral part of these consolidated financial statements.

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Exodus Movement, Inc. and subsidiaries
Consolidated Statements of Operations and Comprehensive Income (Loss)
(in thousands, except per share data)

	2020	2019
	(Amounts in Thousands)	
REVENUES	\$21,251	\$ 7,922
COST OF REVENUES		
Software development	3,465	3,000
Customer support	1,824	1,044
Security and wallet operations	<u>3,517</u>	<u>2,578</u>
Total cost of revenues	<u>8,806</u>	<u>6,622</u>
GROSS PROFIT	<u>12,445</u>	<u>1,300</u>
OPERATING EXPENSES		
General and administrative	3,802	2,235
Advertising and marketing	1,081	569
Depreciation and amortization	736	103
Impairment of digital assets	<u>2,430</u>	<u>1,738</u>
Total operating expenses	<u>8,049</u>	<u>4,645</u>
Income (loss) from operations	<u>4,396</u>	<u>(3,345)</u>
OTHER INCOME (EXPENSE)		
Gain on sale or transfer of digital assets	5,017	3,118
Interest expense	(6)	(3)
Interest income	<u>80</u>	<u>55</u>
Total other income and expense	<u>5,091</u>	<u>3,170</u>
Income (loss) before income taxes	9,487	(175)
INCOME TAX EXPENSE	<u>(1,310)</u>	<u>(55)</u>
NET INCOME (LOSS)	<u><u>\$ 8,177</u></u>	<u><u>\$ (230)</u></u>
OTHER COMPREHENSIVE INCOME (LOSS)		
Foreign currency translation adjustment	<u>248</u>	<u>—</u>
COMPREHENSIVE INCOME (LOSS)	<u><u>\$ 8,425</u></u>	<u><u>\$ (230)</u></u>
Basic net income per share:		
Basic net income (loss) per share of common stock	\$ 0.41	\$ (0.01)
Diluted net income (loss) per share of common stock	\$ 0.36	\$ (0.01)
Weighted average shares and share equivalents outstanding		
Basic	20,012	20,000
Diluted	22,749	20,000

The accompanying notes are an integral part of these consolidated financial statements.

Exodus Movement, Inc. and subsidiaries
Consolidated Statements of Changes in Stockholders' Equity
(in thousands)

	Class B Shares	Class A Common Stock*	Class B Common Stock	Additional Paid In Capital	Accumulated Other Comprehensive Income	Retained Earnings	Total Stockholders' Equity
BALANCES at December 31, 2018	<u>20,000</u>	<u>—</u>	<u>—</u>	<u>\$ 1</u>	<u>\$ —</u>	<u>\$ 7,007</u>	<u>\$ 7,008</u>
Stock based compensation	—	—	—	1,307	—	—	1,307
Net loss	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(230)</u>	<u>(230)</u>
BALANCES at December 31, 2019	<u>20,000</u>	<u>—</u>	<u>—</u>	<u>1,308</u>	<u>—</u>	<u>6,777</u>	<u>8,085</u>
Stock based compensation	—	—	—	1,297	—	—	1,297
Exercised options	12	—	—	16	—	—	16
Foreign currency translation adjustment	—	—	—	—	248	—	248
Net income	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>8,177</u>	<u>8,177</u>
BALANCES at December 31, 2020	<u>20,012</u>	<u>\$—</u>	<u>\$—</u>	<u>\$2,621</u>	<u>\$248</u>	<u>\$14,954</u>	<u>\$17,823</u>

* No Class A shares issued or outstanding for the year ended December 31, 2020

The accompanying notes are an integral part of these consolidated financial statements.

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Exodus Movement, Inc. and subsidiaries
Consolidated Statements of Cash Flows
(\$ in thousands)

	2020	2019
	(Amounts in Thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ 8,177	\$ (230)
Adjustments to reconcile net income (loss) to		
Net cash provided by (used in) operating activities		
Depreciation and amortization	736	103
Deferred tax expense	905	54
Impairment of digital assets	2,430	1,738
Gain on sale or transfer of digital assets	(5,017)	(3,118)
Stock based compensation	1,297	1,307
Change in assets and liabilities:		
Digital assets	(1,604)	(896)
Accounts receivable	(2,340)	(227)
Prepaid expenses	(2,761)	(1,010)
Other current assets	100	(51)
Accounts payable	352	42
Income tax payable	338	(526)
Deferred revenue	77	—
Payroll liabilities	(22)	405
Net cash provided by (used in) operating activities	<u>2,668</u>	<u>(2,409)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(141)	(355)
Development of software assets	(1,902)	(814)
Net cash used in investing activities	<u>(2,043)</u>	<u>(1,169)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Deferred offering costs	(1,183)	—
Proceeds from note payable	—	234
Payments on note payable	(219)	(14)
Exercise of stock options	16	—
Net cash provided by (used in) financing activities	<u>(1,386)</u>	<u>220</u>
Net increase (decrease) in cash and cash equivalents and restricted cash	(761)	(3,358)
Effects of exchange rate on cash	248	—
Cash and cash equivalents and restricted cash		
Beginning of the year	<u>3,125</u>	<u>6,483</u>
End of year	<u>\$ 2,612</u>	<u>\$ 3,125</u>

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the accompanying balance sheet to amounts presented in this consolidated statements of cash flows:

	2020	2019
	(Amounts in Thousands)	
Cash and cash equivalents	\$2,612	\$2,890
Restricted cash	<u>—</u>	<u>235</u>
Total amounts presented in the consolidated statements of cash flows	<u>\$2,612</u>	<u>\$3,125</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	\$ 7	\$ 3
Cash paid for income taxes	—	600

The accompanying notes are an integral part of these consolidated financial statements.

Exodus Movement, Inc. and subsidiaries
Notes to Consolidated Financial Statements
(Amounts in Thousands)

1. Nature of Business and Summary of Significant Accounting Policies

Nature of Operations

Exodus Movement, Inc. and Subsidiaries (“Exodus” or “the Company” or “we”) is a technology company incorporated in Delaware in July 2016 that has developed the Exodus Platform, which is an unhosted and non-custodial cryptocurrency software wallet for multiple types of cryptocurrency. We have created a non-custodial cryptocurrency wallet (meaning we never have any access to wallet holders’ crypto assets) and partnered with third parties to provide various services that utilize our wallet through our crypto app store. Exodus earns revenue from providers of these services, which include crypto to crypto exchanges, sports betting, and the ability to earn rewards on crypto assets, with more to come in the future. We operate in the blockchain and crypto asset industry and our customers range from people completely unfamiliar to quite familiar with this technology. The Exodus Platform can currently be downloaded from the exodus.com website, the iOS app store, and the Google Play store.

Basis of Presentation and Principles for Consolidation

The accompanying consolidated financial statements of the Company are presented in U.S. Dollars in conformity with accounting principles generally accepted in the United States of America (“GAAP”). The accompanying consolidated financial statements include the accounts of the Company, Inc. and its wholly-owned subsidiaries. All material intercompany balances and transactions have been eliminated in consolidation.

The Company determines the consolidation for affiliated entities using Accounting Standards Codification (“ASC”) 810, Consolidation (“ASC 810”). ASC 810 requires consolidation if the reporting entity has a controlling financial interest in another entity, through voting interests or other means. We consolidate a variable interest entity (“VIE”) if it has the power to direct the activities that most significantly impact the VIE’s economic performance and if the reporting entity is the primary beneficiary of the affiliated entity. We have no VIEs for any of the periods presented. Prior to 2020, we had no subsidiaries or controlling interests and therefore the presentations for periods ending December 31, 2019 are not consolidated. In March 2020, we incorporated a wholly owned subsidiary, Proper Trust AG (“Proper Trust”), based in Zug, Switzerland.

Use of Estimates

The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported revenue generated and expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions, including uncertainty in the current economic environment due to COVID-19. We believe that the accounting policies discussed below are critical to understanding our historical and future performance, as these policies relate to the more significant areas involving management’s judgments and estimates.

Foreign Currency Translation

The assets and liabilities of the Company’s subsidiary are translated into U.S Dollars at exchange rates in effect at the consolidated balance sheet date. Income and expense items are translated at the average exchange rates prevailing during the period. The effects of these translation adjustments are presented in the consolidated statements of stockholders’ equity and in the consolidated statements of operations and comprehensive income (loss).

Accumulated Other Comprehensive Income

Accumulated other comprehensive income includes any gain or loss on foreign currency translation.

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Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents primarily consist of cash, money market funds and short-term, highly liquid investments with original maturities of three months or less in which the Company is exposed to market and credit risk. The Company maintains its cash and restricted cash in bank deposit accounts which at times, may exceed federally insured limits. The Company has not experienced any losses in these accounts and does not believe it is exposed to any significant credit risk from cash. In addition, the Company holds cash at crypto currency exchanges.

Restricted cash is legally restricted as to its use and is comprised of a certificate of deposit used to collateralize debt related to Company vehicles (see Note 7).

Accounts Receivable

We record accounts receivable at the invoiced amount. We do not maintain an allowance for doubtful accounts to reserve for potentially uncollectible receivables as we have no history of past due payments or disputes with our current customers.

The term between invoicing and when payment is due is not significant.

Concentration of Credit Risk

The Company has two types of financial statement instruments subject to credit risk. The Company maintains bank accounts in which the balances sometimes exceed the Federal Deposit Insurance Corporation (FDIC) limit of \$250,000. The Company's receivables also subject the Company to credit risk.

Adoption of Accounting Standards

In May of 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* ("ASC 606") The core principle of the accounting guidance is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The new accounting guidance provides a five-step analysis of transactions to determine when and how revenue is recognized and requires enhanced disclosures about revenue. The guidance is effective for interim and annual reporting periods beginning after December 15, 2017. The adoption of the revenue standard will result in additional disclosures to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. This will include additional quantitative and qualitative disclosures regarding contracts with customers, including the nature of the related performance obligations, the contract asset and liability balances for customer contracts, including significant changes to these balances and significant judgments made in applying the guidance. The Company adopted the provisions of ASU 2014-09 as of January 1, 2018. The adoption of this update did not have a material impact on our consolidated financial statements.

In January 2016, the FASB issued ASU 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities* (collectively, "ASU 2016-01"). ASU 2016-01 requires equity investments to be measured at fair value with changes in fair value recognized in net income; simplifies the impairment assessment of equity investments without readily determinable fair values by requiring a qualitative assessment to identify impairment; eliminates the requirement for public business entities to disclose the methods and significant assumptions used to estimate the fair value that is required to be disclosed for financial instruments measured at amortized cost on the consolidated balance sheet; requires public business entities to use the exit price notion when measuring the fair value of financial instruments for disclosure purposes; requires an entity to present separately in other comprehensive income the portion of the total change in the fair value of a liability resulting from a change in the instrument-specific credit risk when the entity has elected to measure the liability at fair value in accordance with the fair value option for financial instruments; requires separate presentation of financial assets and financial liabilities by measurement category and form of financial assets on the consolidated balance sheet or the accompanying notes to the financial statements; and clarifies that an entity should evaluate the need for a valuation allowance on a consolidated deferred tax asset related to available-for-sale securities in combination with the entity's other deferred tax assets. ASU 2016-01 is effective for consolidated financial statements issued for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. The Company adopted the provisions of ASU 2016-01 as of January 1, 2018. The adoption of this update did not impact the Company's consolidated financial statements and related disclosures.

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In February 2016, the FASB issued ASU 2016-02, *Leases* (“ASU 2016-02”) in order to increase transparency and comparability among organizations by, among other provisions, recognizing lease assets and lease liabilities on the consolidated balance sheet for those leases classified as operating leases under previous GAAP. For public companies, ASU 2016-02 is effective for fiscal years beginning after December 15, 2018 (including interim periods within those periods) using a modified retrospective approach and early adoption is permitted. In transition, entities may also elect a package of practical expedients that must be applied in its entirety to all leases commencing before the adoption date, unless the lease is modified, and permits entities to not reassess (a) the existence of a lease, (b) lease classification or (c) determination of initial direct costs, as of the adoption date, which effectively allows entities to carryforward accounting conclusions under previous GAAP. In July 2018, the FASB issued ASU 2018-11, *Leases: Targeted Improvements*, which provides entities an optional transition method to apply the guidance under Topic 842 as of the adoption date, rather than as of the earliest period presented. The Company adopted the provisions of ASU 2014-09 as of January 1, 2019. The adoption of this update did not have a material impact on our consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. This ASU will require the measurement of all expected credit losses for financial assets, including account receivables, held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. The guidance is effective for annual reporting periods beginning after December 15, 2022 and interim periods within those fiscal years. The Company early adopted ASU 2016-13 as of January 1, 2020. The adoption of this update did not have a material impact on our consolidated financial statements.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows: Restricted Cash* (“ASU 2016-18”), which clarifies the classification and presentation of restricted cash in the statement of cash flows. ASU 2016-18 requires amounts generally described as restricted cash be included with cash when reconciling the beginning-of-period and end-of-period total amounts shown on the statements of cash flows. The Company adopted ASU 2016-18 as of January 1, 2018.

In June 2018, the FASB issued ASU 2018-07, *Improvements to Nonemployee Share-Based Payment Accounting*, which simplifies the accounting for share-based payments granted to nonemployees for goods and services. Under the ASU, most of the guidance on such payments to nonemployees would be aligned with the requirements for share-based payments granted to employees. The changes take effect for public companies for fiscal years starting after December 15, 2018, including interim periods within that fiscal year. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early adoption is permitted. The Company adopted ASU 2016-18 as of January 1, 2019. The adoption of this update did not have a material impact on our consolidated financial statements.

Fixed Assets

Fixed assets are recorded at cost less accumulated depreciation. Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. Depreciation is calculated on a straight-line basis over the estimated useful lives of the respective assets, which generally range from 3-5 years for equipment and furniture and 8 years for vehicles.

Intangible Assets

Digital Assets

Digital assets are recorded at cost less impairment and are classified as indefinite-lived intangible assets. An intangible asset with an indefinite useful life is not amortized but assessed for impairment monthly, or more frequently, when events or changes in circumstances occur indicating that it is more likely than not that the indefinite-lived asset is impaired. Impairment exists when the carrying amount exceeds its fair value. To the extent an impairment loss is recognized, the loss establishes the new cost basis of the asset. Subsequent reversal of impairment losses is not permitted. For the years ended December 31, 2020 and 2019, impairment charges of \$2.4 million and \$1.7 million, respectively, were recorded in the consolidated statements of operations and comprehensive income (loss).

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Software Development Costs

The Company applies ASC 985-20, *Software—Costs of Software to Be Sold, Leased, or Marketed*, in analyzing our software development costs. ASC 985-20 requires the capitalization of certain software development costs subsequent to the establishment of technological feasibility for a software product in development. Software development costs associated with establishing technological feasibility are expensed as incurred. Technological feasibility is established upon the completion of a working model. Based on our software development process, the working model is almost immediately placed in service. As such, we have not capitalized any costs under ASC 985-20.

The Company applies ASC 350-40, *Intangibles—Goodwill and Other—Internal Use Software*, in review of certain system projects. These system projects generally relate to software not hosted on our users' systems, where the user has no access to source code, and it is infeasible for the user to operate the software themselves. In these reviews, all costs incurred during the preliminary project stages are expensed as incurred. Once the projects have been committed to and it is probable that the projects will meet functional requirements, costs are capitalized. These capitalized software costs are amortized on a project-by-project basis over the expected economic life of the underlying product on a straight-line basis, which is typically three years. Amortization commences when the software is available for its intended use.

The Company accounts for website development costs in accordance with ASC 350-50, *Website Development Costs*. We capitalize internally developed website costs when the website under development has reached technological feasibility. We amortize these costs over an estimated life of three years.

Revenue Recognition

The Company applies the provisions of ASC 606 to determine the measurement of revenue and the timing of when it is recognized. Under ASC 606, revenue is measured as the amount of consideration we expect to be entitled to, in exchange for transferring products or providing services to our customers and is recognized when performance obligations under the terms of contracts with our customers are satisfied. ASC 606 prescribes a five-step model for recognizing revenue from contracts with customers: (1) identify contract(s) with the customer; (2) identify the separate performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the separate performance obligations in the contract; and (5) recognize revenue when (or as) each performance obligation is satisfied.

The Company recognizes various charges to application programming interface ("API") providers which are based on user interactions conducted through APIs as revenue. Currently, the Company and/or Proper Trust have API agreements with providers of cryptocurrency-to-cryptocurrency exchanges, fiat-to-cryptocurrency conversions, cryptocurrency staking, and sports betting. The Company allows the providers to provide software services, which permit a user of our unhosted and non-custodial cryptocurrency software wallet to access the services of the provider through the APIs. Under the terms and conditions of the agreements, the Company and the providers have integrated the APIs into the Exodus Platform. In consideration for the integration by the Company of the APIs into the Exodus Platform software, API providers pay us an API fee for certain user interactions with API. These interactions are typically transactions of services between provider and a user, effected through the API.

Revenues from major API providers exceeding 10% of the total revenues at December 31, were as follows:

	2020	2019
	(Amounts in Thousands)	
Number of major API providers	3	3
Percentage of revenues	86.4%	91.5%
Amount of revenues	\$18,360	\$7,246

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The following table presents our revenues disaggregated by geography, based on the addresses of our customers (in thousands):

	2020		2019	
United States	\$ 577	2.7%	\$ —	—%
EMEA ⁽¹⁾	1,073	5.0	—	—
APAC ⁽¹⁾	19,350	91.1	7,256	91.6
Other Americas ⁽¹⁾	251	1.2	666	8.4
Total revenues	<u>\$21,251</u>	<u>100.0%</u>	<u>\$7,922</u>	<u>100.0%</u>

(1) Regions represent Europe, the Middle East, and Africa (EMEA); Asia-Pacific (APAC); and Canada and Latin America (Other Americas).

The following table presents our revenues disaggregated by product (in thousands):

	2020		2019	
Exchange aggregation	\$20,456	96.3%	\$ 7,922	100.0%
Consulting	673	3.2	—	—
Flat on-boarding	77	0.4	—	—
Staking	20	0.0	—	—
Gaming	4	0.0	—	—
Other	21	0.1	0.55	0.0
Total revenues	<u>\$21,251</u>	<u>100.0%</u>	<u>\$7,922</u>	<u>100.0%</u>

For transaction-based API fees, the transaction price is allocated per qualified interaction between the provider and the user. As each interaction occurs, we recognize revenue. With the majority of our revenue being transaction based, our revenue can vary significantly based on the type and number of interactions that occur each day.

For non-transaction-based API fees, the Company recognizes revenues based on performance obligations in the underlying contracts having been identified, priced, allocated, and satisfied.

The Company concluded that the contracts do not contain any significant financing components, as either much of the transaction consideration is variable, and is not substantially within the control of the Company or its customers, or the period between receipt of the funds and the satisfaction of performance obligations is largely within one year.

Cost of Revenues

Software Development

Software development costs consist primarily of payroll and related costs, fees paid to consultants and outside service providers. Most costs are expensed as incurred except for costs associated with Internal Use Software.

Customer Support

Customer support includes related salaries and costs, fees paid to consultants and outside service providers, and software or applications used for customer support. Customer support expenses are expensed as incurred.

Security and Wallet Operations

Security and wallet operations expenses consist of development operations and security related activities. Costs are primarily payroll and related costs, fees paid to consultants and outside service providers, and costs related to web hosting and maintaining servers. Most costs are expensed as incurred except for costs associated with internal use software.

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Operating Expenses

General and Administrative

General and administrative expenses consist of administrative, compliance, legal, investor relations, and financial operations. They include office expenses, meals and entertainment costs, software/applications for operational use, and other general and administrative expenses, including but not limited to technology subscriptions, travel, utilities, and vehicle expenses.

Advertising and Marketing

Sales and marketing costs are expenses associated with advertising, corporate marketing, public relations, promotional items, events and conferences and fees paid for software or applications used for advertising and marketing. Advertising and marketing expenses are expensed as incurred. For the years ended December 31, 2020 and 2019 advertising and marketing expenses were \$0.5 million and \$0.2, respectively.

Stock-based Compensation

Stock-based compensation cost is estimated at the grant date based on the fair value of the option award and is recognized as expense ratably over the vesting period of the award. The assumptions used in calculating the fair value of stock-based awards represent the Company's best estimates, but these estimates involve inherent uncertainties and the application of management judgment. As a result, if factors change and the Company uses different assumptions, its stock-based compensation expense could be materially different in the future. The Company elected to account for its graded vesting awards on a straight-line basis over the requisite service period for the entire award.

Income Taxes

The Company uses the asset and liability method of accounting for deferred income taxes. Under this method, deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the carrying amounts and the tax basis of assets and liabilities at currently enacted tax rates.

These temporary differences primarily relate to net operating loss carryforwards available to offset future taxable income. Valuation allowances are established, if necessary, to reduce a deferred tax asset to the amount that will more likely than not be realized.

The Company recognizes tax liabilities from an uncertain tax position only if it is more likely than not that the tax position will not be sustained upon examination by the taxing authorities, based on the technical merits of the tax position. There are no uncertain tax positions that have been recognized in the accompanying consolidated financial statements. The Company is required to file tax returns in the U.S. federal jurisdiction and various states and local municipalities. The Company's policy is to recognize interest and penalties related to uncertain tax benefits in operating expenses. The Company paid \$0.01 million of penalties during the year ended December 31, 2019. There were no penalties paid during the year ended December 31, 2020.

Earnings per Share

The Company uses the if converted method to calculate earnings per share. Basic net income per share was computed by allocating undistributed earnings to common shares and using the weighted-average number of common shares outstanding during the period.

Diluted net income per share was computed using the weighted-average number of common shares and, if dilutive, the potential common shares outstanding during the period. Potential common shares consist of the incremental common shares issuable upon the exercise of stock options. The dilutive effect of outstanding stock options is reflected in diluted earnings per share.

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The following table set forth the computation of basic and diluted net income per share of common stock (in thousands, except per share amounts):

	For the years ended December 31,	
	2020	2019
Basic net income per share:		
Numerator		
Allocation of undistributed earnings (loss)	\$ 8,177	\$ (230)
Denominator		
Number of shares used in per share computation	20,012	20,000
Basic net income (loss) per share	<u>\$ 0.41</u>	<u>\$ (0.01)</u>
Diluted net income per share:		
Numerator		
Allocation of undistributed earnings (loss)	\$ 8,177	\$ (230)
Denominator		
Number of shares used in basic computation	20,012	20,000
Weighted-average effect of dilutive securities		
Stock options	2,737	—
Number of shares used in per share computation	22,749	20,000
Diluted net income (loss) per share	<u>\$ 0.36</u>	<u>\$ (0.01)</u>

Risks Associated with Digital Assets

Private Key Security

We currently hold significant amounts of bitcoin and other digital assets, and security breaches, computer malware, and other computer hacking attacks could result in a loss of these assets with no adequate source of recovery. Cryptocurrency holdings are anonymous and have an association with a set of private keys. Control of these private keys are necessary to demonstrate ownership and control, transfer or sell our cryptocurrency holdings.

Although we take significant steps to secure these private keys, to help better ensure they are not destroyed or stolen, we—like any other holder of cryptocurrency—cannot guarantee that the loss, destruction, or theft of its private keys is not possible. In the event that we lose one or more of our private keys, one or more of those private keys are somehow destroyed, or one or more if our private keys are somehow stolen or disclosed to another party, we could lose access to our cryptocurrency holdings, or our cryptocurrency holdings could be stolen.

The majority of our cryptocurrency holdings are held in non-custodial wallets with a multi-signature private key set up. Any transfer of cryptocurrency requires the use of multiple private keys that are separately controlled and secured by executive officers and directors of Exodus. A single executive officer or director is unable, on his or her own, to transfer any of our cryptocurrency. We have policies and procedures in place in case of death or disability on the part of these executive officers and directors that vest control of the private keys in our board of directors including the safekeeping of backup private keys.

From time to time, we may use custodial services for exchanging or investing certain assets. Procedures for these services are similar to that of traditional banks. When available, we utilize enhanced security measures such as Whitelisting approved receiving addresses.

Market Volatility

The prices of digital assets are extremely volatile. Fluctuations in the price of digital assets could materially and adversely affect our results of operations. The prices of cryptocurrencies, such as bitcoin, and other digital assets have historically been subject to dramatic fluctuations, and in the event of a decline in value of bitcoin, our financial position, results of operations, and cash flows could be materially and adversely affected.

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Digital Assets are Currently Unregulated

As of the date of these consolidated financial statements, digital assets are not subject to specific regulation. Accordingly, there are uncertainties related to the regulatory regimes governing blockchain technologies, cryptocurrencies, digital assets, and cryptocurrency exchanges, and new international, federal, state and local regulations or policies may materially adversely affect Exodus and the value of the Exodus Platform.

Cryptocurrency networks and blockchain technologies also face an uncertain regulatory landscape in many foreign jurisdictions, including (among others) the European Union, China, and Russia. Various foreign jurisdictions may, in the future, adopt laws, regulations or directives that affect Exodus. These laws, regulations or directives may conflict with those of the United States or may directly and negatively impact results of operations. The effect of any future regulatory change is impossible to predict, but any change could be substantial and materially adverse to Exodus, our results of operations, and adoption and value of the Exodus Platform.

Value of Crypto Assets

In December 2019, Association of International Certified Public Accountants (“AICPA”) produced a nonauthoritative practice aid titled, “*Accounting for and auditing of digital assets*.” The practice aid discusses initial classification, ongoing valuation and measurement, as well as sales of digital assets.

There is also no currently authoritative literature under GAAP that specifically addresses the accounting for crypto asset holdings, including digital assets like bitcoin. We have determined that crypto assets should be classified as intangible assets with indefinite useful lives; as such, they are recorded at their respective fair values as of the acquisition date. We do not amortize intangible assets with indefinite useful lives. We review indefinite-lived intangible assets at least monthly for possible impairment. We recognize impairment on these assets caused by decreases in market value based upon quoted prices for identical instruments in active markets. In addition, indefinite-lived intangible assets are reviewed for possible impairment between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of the indefinite-lived intangible assets below their carrying values.

2. Prepaid Expenses

The Company prepaids certain expenses due to the nature of the service provided or to capture certain discounts. The table below shows a breakout of these prepaid expenses for the periods presented (in thousands).

	2020	2019
Prepaid cloud services	\$1,634	\$1,028
Marketing expenses	1,221	—
Accounting, consulting, and legal services	663	—
Prepaid software	347	104
Other	29	1
Total	<u>\$3,894</u>	<u>\$1,133</u>

3. Intangible Assets

Digital Assets

The Company uses bitcoin and other cryptocurrencies in the ordinary course of its business and includes them as digital assets on the consolidated balance sheets. The Company considers these digital assets to be intangible assets and record them at cost less impairment. Digital assets not directly exchanged from the Company’s U.S. Dollar holdings are valued based on publicly available pricing data obtained from a well-known pricing service. The Company tracks its digital assets on a first in, first out basis and evaluates daily holdings for impairment. Realized gains or losses on cryptocurrency transactions are calculated as the difference between the value received versus the lower of the initial cost or the impaired value of the units being disposed. During the years ended December 31, 2020 and 2019, impairment charges of \$2.4 million and \$1.7 million, respectively, were recorded in our consolidated statements of operations and comprehensive income (loss). During the years ended December 31, 2020 and 2019, realized gains of \$5.0 million and \$3.1 million, respectively, were recorded in our consolidated statements of operations and comprehensive income (loss).

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The table below outlines the value of our digital assets based on publicly available rates as well as the book value.

	Bitcoin (BTC)	
	As of December, 31	
	2020	2019
Units	694	513
Book value (in thousands)	\$ 7,159	\$3,382
Market value (in thousands) ⁽¹⁾	\$20,141	\$3,691
	Ethereum (ETH)	
	As of December, 31	
	2020	2019
Units	1,613	809
Book value (in thousands)	\$ 498	\$ 64
Market value (in thousands) ⁽¹⁾	\$1,190	\$105
	Other Digital Assets	
	As of December, 31	
	2020	2019
Units	21,688	17,869
Book value (in thousands)	\$ 11	\$ 31
Market value (in thousands) ⁽¹⁾	\$ 15	\$ 46

(1) Market rate represents a determination of fair market value derived from publicly available information.

4. Fixed Assets, Net

Property and equipment, net, consisted of the following (in thousands):

	2020	2019
Computer equipment	\$ 294	\$165
Vehicles	255	255
Furniture and fixtures	<u>18</u>	<u>6</u>
Fixed assets, gross	567	426
Less: accumulated depreciation	<u>(177)</u>	<u>(74)</u>
Property and equipment, net	<u>\$ 390</u>	<u>\$352</u>

Depreciation expense was approximately \$0.1 million and \$0.06 million for the years ended December 31, 2020 and 2019, respectively.

5. Software Assets, Net

Software assets, net, consisted of the following (in thousands):

	2020	2019
Internal use software	\$2,904	\$1,003
Website	<u>53</u>	<u>53</u>
Software assets, gross	2,957	1,056
Less: accumulated amortization	<u>(709)</u>	<u>(76)</u>
Software assets, net	<u>\$2,248</u>	<u>\$ 980</u>

Amortization expense was approximately \$0.6 million and \$0.04 million for the years ended December 31, 2020 and 2019, respectively.

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The following summarizes the future amortization expense (in thousands):

Year Ending December 31,	
2021	\$ 601
2022	799
2023	627
2024	221
	<u>\$2,248</u>

6. Simple Agreement for Future Equity

In 2016 and 2017, the Company recorded Simple Agreements for Future Equity (“SAFEs”) totaling \$0.54 million as long-term debt. Management has determined that no conversion to equity is likely due to:

- The Company’s operations have generated cash such that a Sale of Preferred Stock which would trigger an Equity Financing Event is not needed to fund operations.
- The Company does not plan on participating in an IPO or any other event which would trigger a Change of Control.

As such, the Company valued only the debt component of the SAFEs and due to a lack of available inputs, fair market value was deemed to be the cost of the debt component. Until such time that one of the aforementioned events occurs, such SAFEs notes will remain classified as an outstanding liability for financial reporting purposes.

7. Note Payable

Our long-term debt consists of the following (in thousands):

	2020	2019
Note payable	\$—	\$220
Less: current portion	—	(44)
Long-term debt, less current portion	<u>\$—</u>	<u>\$176</u>

On July 30, 2019, we entered into a \$0.23 million term loan (the “Note”) with Arbor Bank. We used the proceeds to fund the purchase of Company vehicles. The Note was payable in 60 monthly installments. The Note bore interest at a fixed rate per annum of 3.5%. In November 2020, the Note was paid off in full.

The Note was collateralized by a Certificate of Deposit (“CD”) held with Arbor Bank. The CD earned less than \$0.01 million of interest for the years ended December 31, 2020 and 2019.

8. Common Stock

As of December 31, 2020, the authorized capital of the Company consists of common stock of 32,500,000 Class A shares, of which no shares had been issued or outstanding with a \$0.000001 par value, 27,500,000 Class B shares, of which 20,011,830 shares were issued and outstanding with a \$0.000001 par value, and 5,000,000 of preferred stock, of which no shares had been issued or outstanding for the year ended December 31, 2020. In August 2020, the Company’s outstanding common stock was split into A and B shares with previously issued shares and options being classified as Class B. The rights of the holders of Class A common stock and Class B common stock are identical, except with respect to voting and conversion rights. Each share of Class A common stock is entitled to one vote per share. Each share of Class B common stock is entitled to ten votes per share and is convertible into one share of Class A common stock. On February 15, 2021, the Company effected a two-for-one stock split to shareholders of record as of February 15, 2021. All share, and per share or per option information has been retroactively adjusted to reflect the stock split.

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Stock Based Compensation

Options Issued

Terms of our share-based compensation are governed by the 2019 Plan. The 2019 Plan permits the Company to grant non-statutory stock options, incentive stock options and other equity awards to Exodus employees, directors and consultants. The exercise price for options issued under the 2019 Plan is determined by the board of directors, but will be (i) in the case of an incentive stock option granted to an employee who owns stock representing more than 10% of the voting power of all classes of stock of Exodus, no less than 110% of the fair market value per share on the date of grant; or (ii) granted to any other employee, no less than 100% of the fair market value per share on the date of grant. The contractual life for all options issued under the 2019 Plan is 10 years. The 2019 Plan authorized grants to issue up to 3,000,000 options convertible into shares of authorized but unissued Class B common stock. As of December 31, 2020 and 2019, 901,680 options and 1,947,320 options had been awarded, respectively.

Options Valuation

We calculate the fair value of stock-based compensation awards granted to employees and nonemployees using the Black-Scholes option-pricing method. If we determine that other methods are more reasonable, or other methods for calculating these assumptions are prescribed by regulators, the fair value calculated for our stock options could change significantly. Higher volatility and longer expected lives would result in an increase to stock-based compensation expense to non-employees determined at the date of grant.

The material factors incorporated in the Black-Scholes model in estimating the fair value of the options granted for the periods presented were as follows:

	Year Ended December 31,	Year Ended December 31,
	2020	2019
Expected dividend yield	0.00%	0.00%
Expected stock-price volatility	51.65-57.21	60.03%
Risk-free interest rate	0.27%-1.76%	1.76%
Term of options	4.53-6.06	5.98
Stock price	\$2.39	\$2.39

- *Expected dividend yield.* The expected dividend is assumed to be zero as we have never paid dividends and have no current plans to pay any dividends on our common stock.
- *Expected stock-price volatility.* The expected volatility is derived from the average historical volatilities of publicly traded companies within our industry that we consider to be comparable over a period approximately equal to the expected term.
- *Risk-free interest rate.* The risk-free interest rate is based on the U.S. Treasury yield in effect at the time of grant for zero coupon U.S. Treasury notes with maturities approximately equal to the expected term.
- *Expected term.* The expected term represents the period that the stock-based awards are expected to be outstanding. Ours historical share option exercise experience does not provide a reasonable basis upon which to estimate an expected term because of a lack of sufficient data. Therefore, we estimate the expected term by using the simplified method provided by the SEC. The simplified method calculates the expected term as the average of the time-to-vesting and the contractual life of the options.

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We will continue to use judgment in evaluating the expected volatility and expected terms utilized for our stock-based compensation calculations on a prospective basis. The following table summarizes stock option activities for the years ended December 31, 2020 and 2019:

	Options	Weighted Average Exercise Price	Aggregate Intrinsic Value	Weighted Average Remaining Contractual Term (Years)
Outstanding at December 31, 2018	—	—	—	—
Granted	1,947,320	\$2.39	—	5.98
Forfeited	14,254	\$2.39	—	5.98
Exercised	—	—	—	—
Outstanding at December 31, 2019	1,933,066	\$2.39	—	5.98
Granted	901,680	\$2.38	—	4.53-6.06
Forfeited	85,908	\$2.39	—	4.53-6.06
Exercised	11,830	\$1.36	—	4.53-6.06
Outstanding at December 31, 2020	<u>2,737,008</u>	<u>\$2.39</u>	<u>—</u>	<u>4.53-6.06</u>
Vested and exercisable at December 31, 2020	<u>1,882,060</u>	<u>\$2.39</u>	<u>—</u>	<u>4.53-6.06</u>

We recognized stock-based compensation of approximately \$1.3 million for the years ended December 31, 2020 and 2019.

9. Income Taxes

The components of the income tax provision as of December 31, 2020 and 2019 are as follows (in thousands):

Summary of current and deferred taxes	2020	2019
U.S. federal		
Current	\$ 406	—
Deferred	904	55
State and local		
Current	—	—
Deferred	—	—
Valuation allowance	—	—
Income tax provision	<u>\$1,310</u>	<u>\$55</u>

The reconciliation between the statutory and effective tax rates at December 31, 2020 and 2019 are comprised of the following:

	2020	2019
Effective income tax rate reconciliation		
Federal statutory rate	21.0%	21.0%
State and local income taxes, net of federal tax benefits	0.0%	0.0%
Permanent tax benefit	(2.8)%	(76.0)%
Non-deductible expenses	0.0%	(6.9)%
Tax credits	(2.0)%	30.5%
Change in tax rate	0.0%	0.0%
Other	(3.5)%	0.0%
Change in valuation allowance	<u>0.0%</u>	<u>0.0%</u>
Effective tax rate for income (loss) from continuing operations	<u>12.7%</u>	<u>(31.4)%</u>

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The tax effects of temporary differences and tax loss and credit carry forwards that give rise to significant portions of deferred tax assets and liabilities at December 31, 2020 and 2019 are comprised of the following (in thousands):

	2020	2019
Deferred tax assets/(liabilities):		
Prepaid expenses	\$(813)	\$(238)
Accounts receivable	(428)	(87)
Other	—	(16)
Fixed assets	(43)	—
Capitalized software, net of amortization	(472)	(206)
Digital assets	97	117
Amortization	—	—
Deferred revenue	16	—
Accounts payable	93	19
Accrued payroll and related expenses	143	147
Research tax credit carryover	—	41
Stock option expense	<u>554</u>	<u>275</u>
Total	(853)	52
Less: valuation allowance	<u>—</u>	<u>—</u>
Net deferred tax (liability) asset	<u><u>\$(853)</u></u>	<u><u>\$ 52</u></u>

In assessing the realization of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the period in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and taxing strategies in making this assessment. Management believes it is more likely than not that the deferred tax assets will be realized. Accordingly, a full valuation allowance has not been established and deferred tax assets and related tax benefit have been recognized in the accompanying consolidated financial statements.

The Company has not identified any uncertain tax positions requiring a reserve as of December 31, 2020 and 2019.

10. Legal Proceedings

The Company is periodically involved in ordinary and routine litigation incidental to its business. The outcome of any such matters is not determinable as of the date of these consolidated financial statements.

11. Subsequent Events

Management has evaluated subsequent events occurring after the consolidated balance sheet date through the date of February 26, 2021, the date for which the consolidated financial statements were available to be released. Based upon this evaluation, Management has determined that no subsequent events have occurred other than noted below.

In January and February 2021, the Company issued 190,000 options under the 2019 Equity Incentive Plan.

In February 2021, we offered and our SAFE holders accepted a conversion of all of the SAFEs to 2,904,498 Class B shares of common stock.

On February 15, 2021, the Company effected a two-for-one stock split to shareholders of record as of February 15, 2021. All share, and per share or per option information has been retroactively adjusted to reflect the stock split.

PART III — EXHIBITS**Item 16. Exhibits***(a) Exhibits.*

Exhibit Number	Description
2.1	Amended and Restated Certificate of Incorporation of Exodus Movement, Inc.
2.2	Amended and Restated Bylaws of Exodus Movement, Inc.
4.1	Form of Subscription Agreement for Class A Common Stock
6.1†	2019 Equity Incentive Plan of Exodus Movement, Inc.
6.2	Form of API Agreement (U.S. Crypto-to-Crypto Exchanges)
6.3	Form of API Agreement (International Crypto-to-Crypto Exchanges)
6.4†	Offer Letter, dated as of March 15, 2019, by and between Exodus Movement, Inc. and James Gernetzke
6.5	Platform Services, Transfer Agent and Registrar Agreement, dated as of December 23, 2020, by and between Securitize LLC. and Exodus Movement, Inc.
6.6	Order Form 2, dated as of January 14, 2021, by and between Securitize LLC and Exodus Movement, Inc.
10.1	Power of Attorney (included on signature page)
11.1*	Form of Consent of Wilson Sonsini Goodrich & Rosati, Professional Corporation (included in Exhibit 12.1)
11.2	Consent of WithumSmith+Brown, PC
12.1*	Form of Opinion of Wilson Sonsini Goodrich & Rosati, Professional Corporation as to the legality of the securities being qualified
13.1	Screenshots of the Shares App, as accessed through the desktop version of the Exodus Platform
13.2	Exodus Shares Announcement, dated January 15, 2021
13.3	Exodus Shares FAQ
13.4	Reddit Messages from JP Richardson, dated January 17, 2021, revised January 25, 2021
13.5	Twitter Messages from JP Richardson, dated January 16, 2021, retweeted January 25, 2021

* To be filed by amendment

† Indicates a management contract or compensatory plan

SIGNATURES

Pursuant to the requirements of Regulation A, the issuer certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form 1-A and has duly caused this offering statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Omaha, State of Nebraska, on February 26, 2021.

EXODUS MOVEMENT, INC.

By: /s/ Jon Paul Richardson

Jon Paul Richardson

Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Jon Paul Richardson as his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities (including his capacity as a director and/or officer of Exodus Movement, Inc.) to sign any or all amendments (including post-effective amendments) to this offering statement and any and all supplements thereto, and to file the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as they, he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent or any of them, or their, his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

This offering statement has been signed by the following persons in the capacities and on the dates indicated below:

Signature	Title	Date
<u>/s/ Jon Paul Richardson</u> Jon Paul Richardson	Director and Chief Executive Officer (Principal Executive Officer)	February 26, 2021
<u>/s/ James Gernetzke</u> James Gernetzke	Chief Financial Officer and Secretary (Principal Financial and Principal Accounting Officer)	February 26, 2021
<u>/s/ Daniel J. Castagnoli</u> Daniel J. Castagnoli	Director and President	February 26, 2021

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION OF
EXODUS MOVEMENT, INC.

Exodus Movement, Inc., a corporation organized and existing under the laws of the State of Delaware (the “**Company**”), certifies that:

1. The Company was originally incorporated under the name Exodus Movement, Inc. and the Company’s original Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on July 25, 2016.
2. This Amended and Restated Certificate of Incorporation was duly adopted in accordance with Sections 242 and 245 of the Delaware General Corporation Law (the “**DGCL**”), and has been duly approved by the written consent of the stockholders of the Company in accordance with Section 228 of the DGCL.
3. The text of the Company’s Amended and Restated Certificate of Incorporation is amended and restated to read, in its entirety, as set forth in **Exhibit A** attached hereto.

IN WITNESS WHEREOF, Exodus Movement, Inc. has caused this Amended and Restated Certificate of Incorporation to be signed by its duly authorized officer on August 27, 2020.

By: /s/Jon Paul Richardson
Jon Paul Richardson
Chief Executive Officer

Exhibit A

ARTICLE I

The name of the corporation is Exodus Movement, Inc. (the “**Company**”).

ARTICLE II

The address of the Company’s registered office in the State of Delaware is 251 Little Falls Drive, City of Wilmington, County of New Castle, Delaware, 19808. The name of the registered agent at such address is The Company Corporation.

ARTICLE III

The purpose of the Company is to engage in any lawful act or activity for which corporations may be organized under the Delaware General Corporation Law (“**DGCL**”), as the same exists or as may hereafter be amended from time to time.

ARTICLE IV

The total number of shares of capital stock the Company has authority to issue is (i) 45,000,000 shares of Common Stock, par value \$0.000001 per share (“**Common Stock**”), divided into two series, consisting of (a) 25,000,000 shares denominated “**Class A Common Stock**” and (b) 20,000,000 shares denominated “**Class B Common Stock**” and (ii) 5,000,000 shares of Preferred Stock, par value \$0.000001 per share (“**Preferred Stock**”).

As of the effectiveness of the filing of this Amended and Restated Certificate of Incorporation (the “**Effective Time**”), and without further action on the part of the Company or the holders of capital stock of the Company, including the holders of Common Stock of the Company, \$0.000001 par value per share, issued and outstanding immediately prior to the Effective Time (the “**Prior Common Stock**”), (i) each share of the Prior Common Stock issued and outstanding or held by the Company in treasury immediately prior to the Effective Time shall be reclassified and changed automatically and without further action, into one (1) fully paid and nonassessable share of Class B Common Stock (the “**Reclassification**”). Any stock certificate that, immediately prior to the Effective Time, represented shares of Prior Common Stock shall, from and after the Effective Time, automatically and without the necessity of presenting the same for exchange, be deemed to represent an equal number of shares of Class B Common Stock, without the need for surrender or exchange thereof. From the Effective Time, each outstanding right, option, or warrant to purchase shares of Prior Common Stock shall be deemed to represent a right, option, or warrant, as applicable, to purchase an equal number of shares of Class B Common Stock.

ARTICLE V

A. COMMON STOCK

Unless otherwise indicated, references to “Sections” in this Article V, Part A refer to sections of this Article V, Part A. The terms and provisions of the Common Stock are as follows:

1. Definitions. For purposes of this Amended and Restated Certificate of Incorporation, the following definitions shall apply:

(a) “**Board of Directors**” shall mean the board of directors of the Company.

(b) **“Class B Stockholder”** shall mean the initial registered holder or Permitted Transferee of any shares of Class B Common Stock that are originally issued by the Company as of the effectiveness of the Reclassification.

(c) **“Common Stock”** shall mean collectively, the Class A Common Stock and the Class B Common Stock.

(d) **“Distribution”** shall mean the transfer of cash or other property without consideration whether by way of dividend or otherwise, other than dividends on Common Stock payable in Common Stock, or the purchase or redemption of shares of the Company by the Company or its subsidiaries for cash or property other than: (i) repurchases of Common Stock issued to or held by employees, officers, directors or consultants of the Company or its subsidiaries at a price no greater than cost upon termination of their employment or services pursuant to agreements providing for the right of said repurchase, (ii) repurchases of Common Stock issued to or held by employees, officers, directors or consultants of the Company or its subsidiaries pursuant to rights of first refusal contained in agreements providing for such right, (iii) repurchases of capital stock of the Company in connection with the settlement of disputes with any stockholder provided that such repurchases are approved by the Board of Directors, and (iv) any other repurchase or redemption of capital stock of the Company approved by the holders of a majority of the voting power of the Common Stock (voting together as a single class) who are then providing services to the Company as officers or employees in good standing.

(e) **“Final Conversion Date”** shall mean the first date on which the total voting power of all outstanding shares of Class B Common Stock represents less than 10% of the total voting power of the Company’s outstanding capital stock.

(f) **“Incapacity”** of a Class B Stockholder shall mean that such holder is incapable of managing his or her financial affairs under the criteria set forth in the applicable probate code or that such holder is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can reasonably be expected to result in death within twelve (12) months or which has lasted or can reasonably be expected to last for a continuous period of not less than twelve (12) months as determined by a licensed medical practitioner selected by such holder and reasonably acceptable to the Board of Directors. If such holder is incapable of selecting a licensed medical practitioner, then such holder’s spouse shall make the selection on behalf of such holder, or in the absence or incapacity of such holder’s spouse, such holder’s adult children by majority vote shall make the selection on behalf of such holder, or in the absence of adult children of such holder or their inability to act by majority vote, a natural person then acting as the successor trustee of a revocable living trust which was created by such holder and which holds more shares of all classes of capital stock of the Company than any other revocable living trust created by such holder shall make the selection of such holder, or in the absence of any such successor trustee, the legal guardian or conservator or the estate of such holder shall make the selection on behalf of such holder. In the event of a dispute regarding whether a Class B Stockholder has suffered an Incapacity, no Incapacity of such holder will be deemed to have occurred unless and until an affirmative ruling regarding such Incapacity has been made by a court of competent jurisdiction.

(g) **“Recapitalization”** shall mean any stock dividend, stock split, combination of shares, reorganization, recapitalization, reclassification (for the avoidance of doubt, other than the Reclassification) or other similar event.

(h) **“Transfer”** of a share of Class B Common Stock shall mean any sale, assignment, transfer, conveyance, hypothecation or other transfer or disposition of such share or any legal or beneficial interest in such share, whether or not for value and whether voluntary or involuntary or by operation of law. A **“Transfer”** shall also include, without limitation, (i) a transfer of a share of Class B Common Stock to a broker or other nominee (regardless of whether or not there is a corresponding change in beneficial ownership) and (ii) the transfer of, or entering into a binding agreement with respect to, Voting Control over a share of Class B Common Stock by proxy or otherwise; *provided, however*, that the following shall not be considered a **“Transfer”** within the meaning of this Section 1(h): (1) the grant of a proxy to officers or directors of the Company or to other persons approved by the Board of Directors at the request of the Board of Directors in connection with actions to be taken at an annual or special meeting of stockholders or pursuant to an action by stockholder written consent in lieu of a meeting; (2) entering into a support, voting, tender or similar agreement or arrangement (in each case, with or without the grant of a proxy) or consummating the actions or transactions contemplated therein if such agreement or arrangement has been approved by the Board of Directors or (3) any sale, transfer or other disposition of Class B Common Stock approved by the Board of Directors.

(i) **“Voting Control”** with respect to a share of capital stock or other equity interest, as applicable, shall mean the power (whether exclusive or shared and whether directly or indirectly) to vote or direct the voting of such share or other equity interest, as applicable, by proxy, voting agreement, or otherwise.

2. Conversion.

(a) *Voluntary Conversion.* Each one (1) share of Class B Common Stock shall be convertible into one (1) fully paid and nonassessable share of Class A Common Stock at the option of the holder thereof at any time upon notice to the Company in writing or by electronic transmission or, if the Company has a transfer agent, to the transfer agent of the Company or upon the time, or the happening of an event, specified in such notice.

(b) *Automatic Conversion Upon Transfer.* Shares of Class B Common Stock shall automatically, without any further action, convert into an equal number of fully paid and nonassessable shares of Class A Common Stock upon a Transfer of such shares; *provided, however*, that no such automatic conversion shall occur in the case of (x) a Transfer of Class B Common Stock by a Class B Stockholder or such Class B Stockholder’s Permitted Transferees to another Class B Stockholder or such Class B Stockholder’s Permitted Transferees or (y) a Transfer of Class B Common Stock by a Class B Stockholder for tax or estate planning purposes to any of the persons or entities listed in clauses (i) through (v) below (each, a **“Permitted Transferee”** and such Transfer, a **“Permitted Transfer”**) and from any such Permitted Transferee back to such Class B Stockholder and/or any other Permitted Transferee of such original Class B Stockholder established by or for such Class B Stockholder:

(i) a trust for the benefit of (a) such Class B Stockholder or (b) persons other than the Class B Stockholder so long as, in the case of clause (b), the Class B Stockholder has sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock held by such trust; *provided* such Transfer does not involve any payment of cash, securities, property or other consideration (other than an interest in such trust) to the Class B Stockholder and, *provided, further*, that in the case of clause (b), in the event such Class B Stockholder no longer has sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock held by such trust, each share of Class B Common Stock then held by such trust shall automatically convert into one (1) fully paid and nonassessable share of Class A Common Stock;

(ii) a trust under the terms of which such Class B Stockholder has retained a “qualified interest” within the meaning of Section 2702(b)(1) of the Internal Revenue Code and/or a reversionary interest so long as the Class B Stockholder has sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock held by such trust; *provided* such Transfer does not involve any payment of cash, securities, property or other consideration (other than an interest in such trust) to the Class B Stockholder; *provided, however*, that in the event such Class B Stockholder no longer has sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock held by such trust, each share of Class B Common Stock then held by such trust shall automatically convert into one (1) fully paid and nonassessable share of Class A Common Stock;

(iii) an Individual Retirement Account, as defined in Section 408(a) of the Internal Revenue Code, or a pension, profit sharing, stock bonus or other type of plan or trust of which such Class B Stockholder is a participant or beneficiary and which satisfies the requirements for qualification under Section 401 of the Internal Revenue Code; *provided* that in each case such Class B Stockholder has sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock held in such account, plan or trust, and *provided, further*, that in the event such Class B Stockholder no longer has sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock held by such account, plan or trust, each share of Class B Common Stock then held by such trust shall automatically convert into one (1) fully paid and nonassessable share of Class A Common Stock;

(iv) a corporation, partnership or limited liability company in which such Class B Stockholder directly, or indirectly through one or more Permitted Transferees, owns shares, partnership interests or membership interests, as applicable, with sufficient Voting Control in the corporation, partnership or limited liability company, as applicable, or otherwise has legally enforceable rights, such that the Class B Stockholder retains sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock held by such corporation, partnership or limited liability company; *provided* such Transfer does not involve any payment of cash, securities, property or other consideration to the Class B Stockholder; *provided* that in the event such Class B Stockholder no longer owns sufficient shares, partnership interests or membership interests, as applicable, or no longer has sufficient legally enforceable rights to ensure the Class B Stockholder retains sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock held by such corporation, partnership or limited liability company, as applicable, each share of Class B Common Stock then held by such corporation, partnership or limited liability company, as applicable, shall automatically convert into one (1) fully paid and nonassessable share of Class A Common Stock; or

(v) with respect to any Class B Stockholder that is not a natural person, a parent or subsidiary of the Class B Stockholder (a “**Class B Affiliate**”); *provided* that in the event such Class B Affiliate is no longer controlled by a parent or subsidiary of the Class B Stockholder, each share of Class B Common Stock then held by such Class B Affiliate shall automatically convert into one (1) fully paid and nonassessable share of Class A Common Stock.

For the avoidance of doubt, to the extent any shares are deemed to be held by a trustee of a trust described in (i) or (ii) above, the Transfer shall be a Permitted Transfer and the trustee shall be deemed a Permitted Transferee so long as the other requirements of (i) or (ii) above, as the case may be, are otherwise satisfied.

(c) *Automatic Conversion Upon Death or Incapacity of a Class B Stockholder.* Each one (1) share of Class B Common Stock held of record by a Class B Stockholder who is a natural person, or by such Class B Stockholder’s Permitted Transferees, shall automatically, without any further action, convert into one (1) fully paid and nonassessable share of Class A Common Stock upon the death or Incapacity of such Class B Stockholder.

(d) *Automatic Conversion of all Outstanding Class B Common Stock.* Each one (1) share of Class B Common Stock shall automatically, without any further action, convert into one (1) fully paid and nonassessable share of Class A Common Stock upon the date specified by affirmative vote of the holders of a majority of the voting power of the then outstanding shares of Class B Common Stock, voting as a single class.

(e) *Automatic Conversion Upon Termination as a Service Provider.* Each one (1) share of Class B Common Stock held of record by a Class B Stockholder who is a natural person, or by such Class B Stockholder’s Permitted Transferees, shall automatically, without any further action, convert into one (1) fully paid and nonassessable share of Class A Common Stock at such time that such Class B Stockholder ceases to provide services to the Company as an officer, director, employee, or consultant.

(f) *Automatic Conversion Upon Final Conversion Date.* Each one (1) share of Class B Common Stock shall automatically, without any further action, convert into one (1) fully paid and nonassessable share of Class A Common Stock at the close of business on the Final Conversion Date.

(g) *Procedures.* The Company may, from time to time, establish such policies and procedures relating to the conversion of Class B Common Stock to Class A Common Stock and the general administration of this dual class stock structure, including the issuance of stock certificates with respect thereto, as it may deem reasonably necessary or advisable, and may from time to time request that holders of shares of Class B Common Stock furnish certifications, affidavits or other proof to the Company as it deems necessary to verify the ownership of Class B Common Stock and to confirm that a conversion to Class B Common Stock has not occurred, provided, that such policies and procedures shall not materially and adversely alter any of the rights of the stockholders under this Amended and Restated Certificate of Incorporation.

(h) *Immediate Effect.* In the event of a conversion of shares of Class B Common Stock to shares of Class A Common Stock pursuant to this Section 2, such conversion(s) shall be deemed to have been made at the time that the Company or its transfer agent receives the notice required pursuant to Section 2(a), upon the date specified pursuant to Section 2(d), the time that the Transfer of such shares occurred, the time of the death or Incapacity of the Class B Stockholder or the time that the Class B Stockholder ceases to provide services to the Company, as applicable. Upon any conversion of Class B Common Stock to Class A Common Stock, all rights of the holder of shares of Class B Common Stock shall cease and the person or persons in whose name or names the certificate or certificates representing the shares of Class A Common Stock are to be issued, if any, shall be treated for all purposes as having become the record holder or holders of such number of shares of Class A Common Stock into which such shares of Class B Common Stock were convertible. Shares of Class B Common Stock that are converted into shares of Class A Common Stock as provided in this Section 2 shall be retired and may not be reissued.

3. Reservation of Stock Issuable Upon Conversion. The Company shall at all times reserve and keep available out of its authorized but unissued shares of Class A Common Stock solely for the purpose of effecting the conversion of the shares of Class B Common Stock such number of its shares of Class A Common Stock as shall from time to time be sufficient to effect the conversion of all then outstanding shares of Class B Common Stock; and if at any time the number of authorized but unissued shares of Class A Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of Class B Common Stock, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Class A Common Stock to such number of shares as shall be sufficient for such purpose.

4. Voting.

(a) *Class Voting.* Except as otherwise expressly provided herein or as required by law, the holders Class A Common Stock and Class B Common Stock shall vote together and not as separate classes on all matters submitted to a vote or for the consent of the stockholders of the Company.

(b) *Voting Powers.* Each holder of shares of Class A Common Stock shall be entitled to one (1) vote for each share thereof held as of the applicable record date, and each holder of shares of Class B Common Stock shall be entitled to ten (10) votes for each share thereof held as of the applicable record date on any matters submitted to a vote or for the consent of the stockholders of the Company.

(c) *Adjustment in Authorized Common Stock or Preferred Stock.* Except as otherwise may be expressly provided by the terms of any series of Preferred Stock, the number of authorized shares of Common Stock or Preferred Stock (including, for the avoidance of doubt, the authorized shares of the Class A Common Stock or the Class B Common Stock) may be increased or decreased (but not below the number of shares of Common Stock or Preferred Stock then outstanding, as applicable) by an affirmative vote of the holders of a majority of the total voting power represented by the outstanding capital stock of the Company entitled to vote thereon (voting together as a single class on an as-converted basis), and without a separate class vote by the Common Stock or Preferred Stock, irrespective of the provisions of Section 242(b)(2) of the DGCL.

5. Identical Rights. Except as otherwise expressly provided herein or required by applicable law, shares of Class A Common Stock and Class B Common Stock shall have the same rights and privileges and rank equally, share ratably and be identical in all respects as to all matters, including, without limitation:

(a) *Dividends and Distributions.* Shares of Class A Common Stock and Class B Common Stock shall be treated equally, identically and ratably, on a per share basis, with respect to any Distribution paid or distributed by the Company, unless different treatment of the shares of each such class is approved by the affirmative vote of the holders of a majority of the then outstanding shares of Class B Common Stock and by the affirmative vote of the holders of a majority of the then outstanding shares of Class A Common Stock, each voting separately as a class; *provided, however*, that in the event a Distribution is paid in the form of Class A Common Stock or Class B Common Stock (or rights to acquire such stock), then holders of Class A Common Stock shall receive Class A Common Stock (or rights to acquire such stock, as the case may be) and holders of Class B Common Stock shall receive Class B Common Stock (or rights to acquire such stock, as the case may be).

(b) *Subdivision or Combination or Other Recapitalization.* If the Company in any manner effects a Recapitalization, the then outstanding shares of Class A Common Stock and Class B Common Stock shall be treated equally, provided that if the Company in any manner subdivides or combines the then outstanding shares of Class A Common Stock or Class B Common Stock, the then outstanding shares of the other such class will be subdivided or combined in the same proportion and manner, unless different treatment of the shares of each such class is approved by the affirmative vote of the holders of a majority of the voting power of the then outstanding shares of Class A Common Stock and by the affirmative vote of the holders of a majority of the voting power of the then outstanding shares of Class B Common Stock, each voting as a separate class.

(c) *Equal Treatment in a Dissolution, Liquidation or Winding Up.* In connection with any liquidation, dissolution or winding up of the Company, shares of Class A Common Stock and Class B Common Stock shall be treated equally, identically and ratably, on a per share basis, with respect to any consideration into which such shares are converted or any consideration paid or otherwise distributed to stockholders of the Company, unless different treatment of the shares of each such class is approved by the affirmative vote of the holders of a majority of the voting power of the then outstanding shares of Class A Common Stock and by the affirmative vote of the holders of a majority of the voting power of the then outstanding shares of Class B Common Stock, each voting separately as a class. Any merger or consolidation of the Company with or into any other entity shall require approval by the affirmative vote of the holders of a majority of the voting power of the outstanding shares of Class A Common Stock and by the affirmative vote of the holders of a majority of the voting power of the outstanding shares of Class B Common Stock, each voting separately as a class, unless (i) the shares of Class A Common Stock and Class B Common Stock remain outstanding and no other consideration is received in respect thereof or (ii) such shares are converted on a pro rata basis into shares of the surviving or parent entity in such transaction having identical rights to the shares of Class A Common Stock and Class B Common Stock, respectively.

B. PREFERRED STOCK

The Preferred Stock may be issued from time to time in one or more series pursuant to a resolution or resolutions providing for such issue duly adopted by the Board of Directors (authority to do so being hereby expressly vested in the Board of Directors). The Board of Directors is further authorized, subject to limitations prescribed by law, to fix by resolution or resolutions the designations, powers, preferences and rights, and the qualifications, limitations or restrictions thereof, of any series of Preferred Stock, including, without limitation, authority to fix by resolution or resolutions the dividend rights, dividend rate, conversion rights, voting rights, rights and terms of redemption (including sinking fund provisions), redemption price or prices, and liquidation preferences of any such series, and the number of shares constituting any such series and the designation thereof, or any of the foregoing. The Board of Directors is further authorized to increase (but not above the total number of authorized shares of the class) or decrease (but not below the number of shares of any such series then outstanding) the number of shares of any series, subject to the powers, preferences and rights, and the qualifications, limitations and restrictions thereof stated in this Amended and Restated Certificate of Incorporation or the resolution of the Board of Directors originally fixing the number of shares of such series. Except as may be otherwise specified by the terms of any series of Preferred Stock, if the number of shares of any series of Preferred Stock is so decreased, then the Company shall take all such steps as are necessary to cause the shares constituting such decrease to resume the status which they had prior to the adoption of the resolution originally fixing the number of shares of such series.

ARTICLE VI

1. General Powers. The business and affairs of the Company shall be managed by or under the direction of the Board of Directors. In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, alter, amend or repeal the bylaws of the Company.

2. Number of Directors; Term; Election.

(a) The number of directors that constitute the whole Board of Directors shall be fixed exclusively by resolution of the Board of Directors.

(b) Effective as of the first date on which the Class B Stockholders, collectively, cease to have Voting Control over shares representing at least a majority of the total voting power of the Company's outstanding capital stock (the "**Class B Threshold Date**"), the directors of the Company shall be divided into three classes as nearly equal in size as is practicable, hereby designated Class I, Class II, and Class III. The initial assignment of members of the Board of Directors to each such class shall be made by the Board of Directors. The term of office of the initial Class I directors shall expire at the first regularly-scheduled annual meeting of the stockholders following the Class B Threshold Date, the term of office of the initial Class II directors shall expire at the second annual meeting of the stockholders following the Class B Threshold Date and the term of office of the initial Class III directors shall expire at the third annual meeting of the stockholders following the Class B Threshold Date. At each annual meeting of stockholders, commencing with the first regularly-scheduled annual meeting of stockholders following the Class B Threshold Date, each of the successors elected to replace the directors of a class whose term shall have expired at such annual meeting shall be elected to hold office until the third annual meeting next succeeding his or her election and until his or her respective successor shall have been duly elected and qualified.

(c) Elections of directors need not be by written ballot unless otherwise provided in the bylaws of the Company.

(d) From and after the Class B Threshold Date, and subject to the rights of the holders of any one or more series of Preferred Stock then outstanding, newly created directorships resulting from any increase in the authorized number of directors or any vacancies in the Board of Directors shall be filled only by a majority vote of the directors then in office, and not by stockholders.

3. Removal. Prior to the Class B Threshold Date, any director or the entire Board of Directors may be removed, with or without cause, by the holders of a majority of the voting power of the shares then entitled to vote at an election of directors; *provided* that, effective as of the Class B Threshold Date, stockholders may effect such removal only for cause and only by the affirmative vote of the holders of sixty-six and two thirds percent (66 2/3%) of the voting power of the then outstanding voting securities of the Company, voting together as a single class.

ARTICLE VII

1. Action by Written Consent of Stockholders. Prior to the Class B Threshold Date, any action required by the DGCL to be taken at any annual or special meeting of stockholders of the Company, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Except as otherwise may be expressly provided by the terms of any series of Preferred Stock, effective as of the Class B Threshold Date, any action required or permitted to be taken by stockholders of the Company must be effected at a duly called annual or special meeting of the stockholders and may not be effected by written consent in lieu of a meeting.

2. **Special Meetings.** Except as otherwise may be expressly provided by the terms of any series of Preferred Stock, special meetings of stockholders of the Company may be called only by the Board of Directors, the chairperson of the Board of Directors, the chief executive officer or the president (in the absence of a chief executive officer), and the ability of the stockholders to call a special meeting is hereby specifically denied.

3. **Advance Notice of Stockholder Business.** Advance notice of stockholder nominations for the election of directors and of business to be brought by stockholders before any meeting of the stockholders of the Company shall be given in the manner provided in the Bylaws of the Company.

4. **No Cumulative Voting.** No stockholder will be permitted to cumulate votes at any election of directors.

ARTICLE VIII

To the fullest extent permitted by the DGCL, as the same exists or as may hereafter be amended from time to time, a director of the Company shall not be personally liable to the Company or its stockholders for monetary damages for breach of fiduciary duty as a director. If the DGCL is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Company shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended.

Neither any amendment nor repeal of this Article, nor the adoption of any provision of this Certificate of Incorporation inconsistent with this Article, shall eliminate or reduce the effect of this Article in respect of any matter occurring, or any cause of action, suit or claim accruing or arising or that, but for this Article, would accrue or arise, prior to such amendment, repeal or adoption of an inconsistent provision.

ARTICLE IX

Subject to any provisions in the bylaws of the Company related to indemnification of directors or officers of the Company, the Company shall indemnify, to the fullest extent permitted by applicable law, any director or officer of the Company who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a “**Proceeding**”) by reason of the fact that he or she is or was a director, officer, employee or agent of the Company or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, against expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any such Proceeding. The Company shall be required to indemnify a person in connection with a Proceeding (or part thereof) initiated by such person only if the Proceeding (or part thereof) was authorized by the Board of Directors.

The Company shall have the power to indemnify, to the extent permitted by the DGCL, as it presently exists or may hereafter be amended from time to time, any employee or agent of the Company who was or is a party or is threatened to be made a party to any Proceeding by reason of the fact that he or she is or was a director, officer, employee or agent of the Company or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, against expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any such Proceeding.

A right to indemnification or to advancement of expenses arising under a provision of this Certificate of Incorporation or a bylaw of the Company shall not be eliminated or impaired by an amendment to this Certificate of Incorporation or the bylaws of the Company after the occurrence of the act or omission that is the subject of the civil, criminal, administrative or investigative action, suit or proceeding for which indemnification or advancement of expenses is sought, unless the provision in effect at the time of such act or omission explicitly authorizes such elimination or impairment after such action or omission has occurred.

ARTICLE X

The Company elects not to be governed by Section 203 of the DGCL.

ARTICLE XI

Except as provided in ARTICLE VIII and ARTICLE IX above, the Company reserves the right to amend, alter, change or repeal any provision contained in this Amended and Restated Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation; *provided*, that, effective upon the Class B Threshold Date and notwithstanding any other provision of this Amended and Restated Certificate of Incorporation or any provision of law that might otherwise permit a lesser vote, the affirmative vote of sixty-six and two-thirds percent (66 2/3%) of the voting power of the then outstanding voting securities of the Company, voting together as a single class, shall be required to amend, alter, change or repeal any provision of this Amended and Restated Certificate of Incorporation.

Effective upon the Class B Threshold Date and notwithstanding any provision of this Amended and Restated Certificate of Incorporation, the Bylaws of the Company or any provision of law that might otherwise permit a lesser vote, the affirmative vote of sixty-six and two-thirds percent (66 2/3%) of the voting power of the then outstanding voting securities of the Company, voting together as a single class, shall be required for the stockholders of the Company to amend, alter, change or repeal any provision of the Bylaws of the Company.

**AMENDED AND RESTATED
BYLAWS OF**

EXODUS MOVEMENT, INC.

Adopted August 27, 2020

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BYLAWS

ARTICLE I — MEETINGS OF STOCKHOLDERS

1.1 Place of Meetings. Meetings of stockholders of Exodus Movement, Inc. (the “*Company*”) shall be held at any place, within or outside the State of Delaware, determined by the Company’s board of directors (the “*Board*”). The Board may, in its sole discretion, determine that a meeting of stockholders shall not be held at any place, but may instead be held solely by means of remote communication as authorized by Section 211(a)(2) of the Delaware General Corporation Law (the “*DGCL*”). In the absence of any such designation or determination, stockholders’ meetings shall be held at the Company’s principal executive office. The Board may cancel, postpone, or reschedule any previously scheduled meeting of stockholders at any time, before or after the notice for such meeting has been given to the stockholders.

1.2 Annual Meeting. Unless directors are elected by written consent in lieu of an annual meeting as permitted by Section 211(b) of the DGCL, an annual meeting of stockholders shall be held for the election of directors at such date and time as may be designated by resolution of the Board from time to time. Stockholders may, unless the certificate of incorporation otherwise provides, act by written consent to elect directors; *provided, however*, that, if such consent is less than unanimous, such action by written consent may be in lieu of holding an annual meeting only if all of the directorships to which directors could be elected at an annual meeting held at the effective time of such action are vacant and are filled by such action. Any other proper business, brought in accordance with **section 1.4** of these bylaws, may be transacted.

1.3 Special Meeting. Except as otherwise expressly provided by the terms of any series of Preferred Stock permitting the holders of such series of Preferred Stock to call a special meeting of the stockholders, special meetings of stockholders of the Company may be called only by the Board, the chairperson of the Board, the chief executive officer or the president (in the absence of a chief executive officer), and the ability of the stockholders to call a special meeting is hereby specifically denied.

If a special meeting of the stockholders has been called, the Company shall cause notice to be given to the stockholders entitled to vote at such meeting, in accordance with these bylaws, that a meeting will be held at the time requested by the person or persons calling the meeting. The notice of a special meeting shall include the purpose for which the meeting is called. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting by or at the direction of a majority of the Board, the chairperson of the Board, the chief executive officer or the president (in the absence of a chief executive officer). Nothing contained in this **section 1.3** shall be construed as limiting, fixing or affecting the time when a meeting of stockholders called by action of the Board may be held.

1.4 Advance Notice Procedures.

(i) *Annual Meetings of Stockholders.*

(a) Nominations of persons for election to the Board or the proposal of other business to be transacted by the stockholders at an annual meeting of stockholders may be made only (1) pursuant to the Company’s notice of meeting (or any supplement thereto); (2) by or at the direction of the Board; (3) as may be provided in the certificate of designations for any class or series of preferred stock; or (4) by any stockholder of the Company who (A) is a stockholder of record at the time of giving of the notice contemplated by **section 1.4(i)(b)**; (B) is a stockholder of record on the record date for the determination of stockholders entitled to notice of the annual meeting; (C) is a stockholder of record on the record date for the determination of stockholders entitled to vote at the annual meeting; (D) is a stockholder of record at the time of the annual meeting; and (E) complies with the procedures set forth in this **section 1.4(i)**.

(b) For nominations or other business to be properly brought before an annual meeting of stockholders by a stockholder pursuant to clause (4) of **section 1.4(i)(a)**, the stockholder must have given timely notice in writing to the secretary and any such nomination or proposed business must constitute a proper matter for stockholder action. To be timely, a stockholder's notice must be received by the secretary at the principal executive offices of the Company no earlier than 8:00 a.m., local time, on the 120th day and no later than 5:00 p.m., local time, on the 90th day prior to the day of the first anniversary of the preceding year's annual meeting of stockholders. However, if no annual meeting of stockholders was held in the preceding year, or if the date of the applicable annual meeting has been changed by more than 25 days from the first anniversary of the preceding year's annual meeting, then to be timely such notice must be received by the secretary at the principal executive offices of the Company no earlier than 8:00 a.m., local time, on the 120th day prior to the day of the annual meeting and no later than 5:00 p.m., local time, on the 10th day following the day on which Official Notice of the date of the annual meeting was first given by the Company. In no event will the adjournment, rescheduling or postponement of any annual meeting, or any announcement thereof, commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. If the number of directors to be elected to the Board is increased and there is no Official Notice naming all of the nominees for director or specifying the size of the increased Board at least 10 days before the last day that a stockholder may deliver a notice of nomination pursuant to the foregoing provisions, then a stockholder's notice required by this **section 1.4(a)(ii)** will also be considered timely, but only with respect to nominees for any new positions created by such increase, if it is received by the secretary at the principal executive offices of the Company no later than 5:00 p.m., local time, on the 10th day following the day on which such Official Notice is first given. "**Official Notice**" means disclosure in a press release or by notice in writing or electronic transmission disseminated by or at the direction of the Company to all stockholders entitled to notice of stockholder meetings.

(c) A stockholder's notice to the secretary must set forth:

(1) as to each person whom the stockholder proposes to nominate for election as a director:

a) such person's name, age, business address, residence address and principal occupation or employment; the class and number of shares of the corporation that are held of record or are beneficially owned by such person and a description of any Derivative Instruments (defined below) held or beneficially owned thereby or of any other agreement, arrangement or understanding (including any short position or any borrowing or lending of shares), the effect or intent of which is to mitigate loss to, or to manage the risk or benefit of share price changes for, or to increase or decrease the voting power of such person; and all information relating to such person that would be required to be disclosed in solicitations of proxies for the contested election of directors of publicly traded corporations, or otherwise would be required, in each case pursuant to the Section 14 of the Securities Exchange Act of 1934 Act (the "**1934 Act**") if the Company were publicly traded;

b) such person's written consent to being named in such stockholder's proxy statement as a nominee of such stockholder and to serving as a director of the Company if elected;

c) a reasonably detailed description of any direct or indirect compensatory, payment, indemnification or other financial agreement, arrangement or understanding that such person has, or has had within the past three years, with any person or entity other than the Company (including the amount of any payment or payments received or receivable thereunder), in each case in connection with candidacy or service as a director of the Company (a "**Third-Party Compensation Arrangement**"); and

d) a description of any other material relationships between such person and such person's respective affiliates and associates, or others acting in concert with them, on the one hand, and such stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination is made, and their respective affiliates and associates, or others acting in concert with them, on the other hand;

(2) as to any other business that the stockholder proposes to bring before the annual meeting:

a) a brief description of the business desired to be brought before the annual meeting;

b) the text of the proposal or business (including the text of any resolutions proposed for consideration and, if applicable, the text of any proposed amendment to these bylaws or the Company's certificate of incorporation);

c) the reasons for conducting such business at the annual meeting;

d) any material interest in such business of such stockholder giving the notice and the beneficial owner, if any, on whose behalf the proposal is made, and their respective affiliates and associates, or others acting in concert with them; and

e) a description of all agreements, arrangements and understandings between such stockholder and the beneficial owner, if any, on whose behalf the proposal is made, and their respective affiliates or associates or others acting in concert with them, and any other person or persons (including their names) in connection with the proposal of such business by such stockholder; and

(3) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made:

a) the name and address of such stockholder (as they appear on the Company's books), of such beneficial owner and of their respective affiliates or associates or others acting in concert with them;

b) for each class or series, the number of shares of stock of the Company that are, directly or indirectly, held of record or are beneficially owned by such stockholder, such beneficial owner or their respective affiliates or associates or others acting in concert with them;

c) a description of any agreement, arrangement or understanding between such stockholder, such beneficial owner or their respective affiliates or associates or others acting in concert with them, and any other person or persons (including, in each case, their names) in connection with the proposal of such nomination or other business;

d) a description of any agreement, arrangement or understanding (including, regardless of the form of settlement, any derivative, long or short positions, profit interests, forwards, futures, swaps, options, warrants, convertible securities, stock appreciation or similar rights, hedging transactions and borrowed or loaned shares) that has been entered into by or on behalf of such stockholder, such beneficial owner or their respective affiliates or associates or others acting in concert with them, with respect to the Company's securities (any of the foregoing, a "*Derivative Instrument*"), or any other agreement, arrangement or understanding that has been made the effect or intent of which is to create or mitigate loss to, manage risk or benefit of share price changes for or increase or decrease the voting power of such stockholder, such beneficial owner or their respective affiliates or associates or others acting in concert with them, with respect to the Company's securities;

e) any rights to dividends on the Company's securities owned beneficially by such stockholder, such beneficial owner or their respective affiliates or associates or others acting in concert with them, that are separated or separable from the underlying security;

f) any proportionate interest in the Company's securities or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such stockholder, such beneficial owner or their respective affiliates or associates or others acting in concert with them, is a general partner or, directly or indirectly, beneficially owns an interest in a general partner of such general or limited partnership;

g) any performance-related fees (other than an asset-based fee) that such stockholder, such beneficial owner or their respective affiliates or associates or others acting in concert with them is entitled to based on any increase or decrease in the value of the Company's securities or Derivative Instruments, including, without limitation, any such interests held by members of the immediate family of such persons sharing the same household;

h) any significant equity interests or any Derivative Instruments in any principal competitor of the Company that are held by such stockholder, such beneficial owner or their respective affiliates or associates or others acting in concert with them;

i) any direct or indirect interest of such stockholder, such beneficial owner or their respective affiliates or associates or others acting in concert with them, in any contract with the Company, any affiliate of the Company or any principal competitor of the Company (in each case, including any employment agreement, collective bargaining agreement or consulting agreement);

j) a representation and undertaking that the stockholder is a holder of record of stock of the Company as of the date of submission of the stockholder's notice and intends to appear in person or by proxy at the meeting to bring such nomination or other business before the meeting;

k) a representation and undertaking that such stockholder or any such beneficial owner intends, or is part of a group that intends, to (x) deliver a proxy statement or other proxy solicitation material or form of proxy to holders of at least the percentage of the voting power of the Company's then-outstanding stock required to approve or adopt the proposal or to elect each such nominee; or (y) otherwise solicit proxies from stockholders in support of such proposal or nomination;

l) any other information relating to such stockholder, such beneficial owner, or their respective affiliates or associates or others acting in concert with them, or director nominee or proposed business that, in each case, would be required to be disclosed in a proxy statement or other filing that would be required to be made in connection with the solicitation of proxies in support of such nominee (in a contested election of directors) or proposal pursuant to Section 14 of the 1934 Act if the Company were publicly traded; and

m) such other information relating to any proposed item of business as the Company may reasonably require to determine whether such proposed item of business is a proper matter for stockholder action.

(d) In addition to the requirements of this **section 1.4**, to be timely, a stockholder's notice (and any additional information submitted to the Company in connection therewith) must further be updated and supplemented, if necessary, (1) so that the information provided or required to be provided in such notice is true and correct as of the record date(s) for determining the stockholders entitled to notice of, and to vote at, the meeting and as of the date that is 10 business days prior to the meeting or any adjournment, rescheduling or postponement thereof and (2) to provide any additional information that the Company may reasonably request. Such update and supplement or additional information, if applicable, must be received by the secretary at the principal executive offices of the Company, in the case of a request for additional information, promptly following a request therefor, which response must be delivered not later than such reasonable time as is specified in any such request from the corporation or, in the case of an update or supplement of any information, not later than five business days after the record date(s) for the meeting (in the case of any update and supplement required to be made as of the record date(s)), and not later than eight business days prior to the date for the meeting or any adjournment, rescheduling or postponement thereof (in the case of the update and supplement required to be made as of 10 business days prior to the meeting or any adjournment, rescheduling or postponement thereof). The failure to timely provide such update, supplement or additional information shall result in the nomination or proposal no longer being eligible for consideration at the meeting.

(ii) *Special Meetings of Stockholders.* Except to the extent required by the DGCL, and subject to **section 1.3**, special meetings of stockholders may be called only in accordance with the Company's certificate of incorporation and these bylaws. Only such business will be conducted at a special meeting of stockholders as has been brought before the special meeting pursuant to the Company's notice of meeting. If the election of directors is included as business to be brought before a special meeting in the Company's notice of meeting, then nominations of persons for election to the Board at such special meeting may be made by any stockholder who (i) is a stockholder of record at the time of giving of the notice contemplated by this **section 1.4(ii)**; (ii) is a stockholder of record on the record date for the determination of stockholders entitled to notice of the special meeting; (iii) is a stockholder of record on the record date for the determination of stockholders entitled to vote at the special meeting; (iv) is a stockholder of record at the time of the special meeting; and (v) complies with the procedures set forth in this **section 1.4(ii)**. For nominations to be properly brought by a stockholder before a special meeting pursuant to this **section 1.4(ii)**, the stockholder's notice must be received by the secretary at the principal executive offices of the Company no earlier than 8:00 a.m., local time, on the 120th day prior to the day of the special meeting and no later than 5:00 p.m., local time, on the 10th day following the day on which Official Notice of the date of the special meeting was first given. In no event will any adjournment, rescheduling or postponement of a special meeting or the announcement thereof commence a new time period (or extend any time period) for the giving of a stockholder's notice. A stockholder's notice to the Secretary must comply with the applicable notice requirements of **section 1.4(a)(iii)**.

(iii) *Other Requirements.*

(a) To be eligible to be a nominee by any stockholder for election as a director of the Company at a meeting of stockholders, the proposed nominee must provide to the secretary, in accordance with the applicable time periods prescribed for delivery of notice under **section 1.4(i)(b)** or **section 1.4(i)**:

(1) a signed and completed written questionnaire (in the form provided by the secretary at the written request of the nominating stockholder, which form will be provided by the secretary within 10 days of receiving such request) containing information regarding such nominee's background and qualifications and such other information as may reasonably be required by the Company to determine the eligibility of such nominee to serve as a director of the Company or to serve as an independent director of the Company;

(2) a written representation and undertaking that, unless previously disclosed to the Company, such nominee is not, and will not become, a party to any voting agreement, arrangement, commitment, assurance or understanding with any person or entity as to how such nominee, if elected as a director, will vote on any issue;

(3) a written representation and undertaking that, unless previously disclosed to the Company, such nominee is not, and will not become, a party to any Third-Party Compensation Arrangement;

(4) a written representation and undertaking that, if elected as a director, such nominee would be in compliance, and will continue to comply, with the Company's corporate governance guidelines as disclosed on the Company's website, as amended from time to time; and

(5) a written representation and undertaking that such nominee, if elected, intends to serve a full term on the Board.

(b) At the request of the Board, any person nominated by the Board for election as a director must furnish to the secretary the information that is required to be set forth in a stockholder's notice of nomination that pertains to such nominee.

(c) No person will be eligible to be nominated by a stockholder for election as a director of the Company unless nominated in accordance with the procedures set forth in this **section 1.4**. No business proposed by a stockholder will be conducted at a stockholder meeting except in accordance with this **section 1.4**.

(d) The chairperson of the applicable meeting of stockholders will, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the procedures prescribed by these bylaws or that business was not properly brought before the meeting. If the chairperson of the meeting should so determine, then the chairperson of the meeting will so declare to the meeting and the defective nomination will be disregarded or such business will not be transacted, as the case may be.

(e) Notwithstanding anything to the contrary in this **section 1.4**, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear in person at the meeting to present a nomination or other proposed business, such nomination will be disregarded or such proposed business will not be transacted, as the case may be, notwithstanding that proxies in respect of such nomination or business may have been received by the Company and counted for purposes of determining a quorum. For purposes of this **section 1.4**, to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting, and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting.

(f) Without limiting this **section 1.4**, a stockholder must also comply with all applicable requirements of the 1934 Act with respect to the matters set forth in this **section 1.4**, it being understood that (1) any references in these bylaws to the 1934 Act are not intended to, and will not, limit any requirements applicable to nominations or proposals as to any other business to be considered pursuant to this **section 1.4**; and (2) compliance with clause (4) of **section 1.4(i)(a)** and with **section 1.4(ii)** are the exclusive means for a stockholder to make nominations or submit other business (other than as provided in **section 1.4(iii)(g)**).

(g) Notwithstanding anything to the contrary in this **section 1.4**, the notice requirements set forth in these bylaws with respect to the proposal of any business pursuant to this **section 1.4** will be deemed to be satisfied by a stockholder if (1) such stockholder has submitted a proposal to the Company in compliance with Rule 14a-8 under the 1934 Act; and (2) such stockholder's proposal has been included in a proxy statement that has been prepared by the Company to solicit proxies for the meeting of stockholders. Subject to Rule 14a-8 and other applicable rules and regulations under the 1934 Act, nothing in these bylaws will be construed to permit any stockholder, or give any stockholder the right, to include or have disseminated or described in the Company's proxy statement any nomination of a director or any other business proposal.

1.5 Notice of Stockholders' Meetings. Whenever stockholders are required or permitted to take any action at a meeting, a notice of the meeting in the form of a writing or electronic transmission shall be given which shall state the place, if any, date and hour of the meeting, the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, the record date for determining the stockholders entitled to vote at the meeting, if such date is different from the record date for determining stockholders entitled to notice of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Except as otherwise provided in the DGCL, the certificate of incorporation or these bylaws, the notice of any meeting of stockholders shall be given not less than 10 nor more than 60 days before the date of the meeting to each stockholder entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of the meeting.

1.6 Quorum. Except as otherwise provided by law, the certificate of incorporation or these bylaws, at each meeting of stockholders the presence in person or by proxy of the holders of shares of stock having a majority of the votes which could be cast by the holders of all outstanding shares of stock entitled to vote at the meeting shall be necessary and sufficient to constitute a quorum. Where a separate vote by a class or series or classes or series is required, a majority of the voting power of the outstanding shares of such class or series or classes or series, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter, except as otherwise provided by law, the certificate of incorporation or these bylaws.

If, however, such quorum is not present or represented at any meeting of the stockholders, then either (i) the chairperson of the meeting, or (ii) the stockholders entitled to vote at the meeting, present in person or represented by proxy, shall have the power to adjourn the meeting from time to time, in the manner provided in **section 1.7** of these bylaws, until a quorum is present or represented.

1.7 Adjourned Meeting; Notice. Any meeting of stockholders, annual or special, may adjourn from time to time to reconvene at the same or some other place, and notice need not be given of the adjourned meeting if the time, place, if any, thereof, and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Company may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for stockholders entitled to vote is fixed for the adjourned meeting, the Board shall fix a new record date for notice of such adjourned meeting in accordance with Section 213(a) of the DGCL and **section 1.11** of these bylaws, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date fixed for notice of such adjourned meeting.

1.8 Conduct of Business. Meetings of stockholders shall be presided over by a chairperson designated by the Board, or in the absence of such designation by the Chairperson of the Board, if any, or in his or her absence by the Vice Chairperson of the Board, if any, or in the absence of the foregoing persons by the Chief Executive Officer, or in the absence of the foregoing persons by the President, or in the absence of the foregoing persons by a Vice President, or in the absence of the foregoing persons by a chairperson chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his or her absence the chairperson of the meeting may appoint any person to act as secretary of the meeting. The chairperson of any meeting of stockholders shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of business, and shall have the power to adjourn the meeting to another place, if any, date or time, whether or not a quorum is present.

1.9 Voting. The stockholders entitled to vote at any meeting of stockholders shall be determined in accordance with the provisions of **section 1.11** of these bylaws, subject to Section 217 (relating to voting rights of fiduciaries, pledgors and joint owners of stock) and Section 218 (relating to voting trusts and other voting agreements) of the DGCL.

Except as may be otherwise provided in the certificate of incorporation, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of capital stock held by such stockholder as of the applicable record date which has voting power upon the matter in question. Voting at meetings of stockholders need not be by written ballot and, unless otherwise required by law, need not be conducted by inspectors of election unless so determined by the holders of shares of stock having a majority of the votes which could be cast by the holders of all outstanding shares of stock entitled to vote thereon which are present in person or by proxy at such meeting. If authorized by the Board, such requirement of a written ballot shall be satisfied by a ballot submitted by electronic transmission, *provided* that any such electronic transmission must either set forth or be submitted with information from which it can be determined that the electronic transmission was authorized by the stockholder or proxy holder.

Except as otherwise required by law, the certificate of incorporation or these bylaws, in all matters other than the election of directors, the affirmative vote of a majority of the voting power of the shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders. Except as otherwise required by law, the certificate of incorporation or these bylaws, directors shall be elected by a plurality of the voting power of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors. Where a separate vote by a class or series or classes or series is required, in all matters other than the election of directors, the affirmative vote of the majority of the voting power of the shares of such class or series or classes or series present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of such class or series or classes or series, except as otherwise provided by law, the certificate of incorporation or these bylaws.

1.10 Stockholder Action by Written Consent Without a Meeting. Unless otherwise provided in the certificate of incorporation, any action required by the DGCL to be taken at any annual or special meeting of stockholders of a corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.

No written consent shall be effective to take the corporate action referred to therein unless written consents signed by a sufficient number of holders to take action are delivered to the Company in the manner required by Section 228 of the DGCL within 60 days of the first date on which a written consent is so delivered to the Company. Any person executing a consent may provide, whether through instruction to an agent or otherwise, that such a consent will be effective at a future time (including a time determined upon the happening of an event), no later than 60 days after such instruction is given or such provision is made, if evidence of such instruction or provision is provided to the Company. Unless otherwise provided, any such consent shall be revocable prior to its becoming effective.

An electronic transmission consenting to an action to be taken and transmitted by a stockholder or proxy holder, or by a person or persons authorized to act for a stockholder or proxy holder, shall be deemed to be written and signed for purposes of this **section 1.10**, *provided* that any such electronic transmission sets forth or is delivered with information from which the Company can determine (i) that the electronic transmission was transmitted by the stockholder or proxy holder or by a person or persons authorized to act for the stockholder or proxy holder and (ii) the date on which such stockholder or proxy holder or authorized person or persons transmitted such electronic transmission.

A consent given by electronic transmission is delivered to the Company upon the earliest of (i) when the consent enters an information processing system, if any, designated by the Company for receiving consents, so long as the electronic transmission is in a form capable of being processed by that system and the Company is able to retrieve that electronic transmission; (ii) when a paper reproduction of the consent is delivered to the Company's principal place of business or an officer or agent of the Company having custody of the book in which proceedings of meetings of stockholders are recorded; (iii) when a paper reproduction of the consent is delivered to the Company's registered office in the State of Delaware by hand or by certified or registered mail, return receipt requested; or (iv) when delivered in such other manner, if any, provided by resolution of the Board. A consent given by electronic transmission is delivered under this **section 1.10** even if no person is aware of its receipt. Receipt of an electronic acknowledgement from an information processing system establishes that a consent given by electronic transmission was received but, by itself, does not establish that the content sent corresponds to the content received.

In the event that the Board shall have instructed the officers of the Company to solicit the vote or written consent of the stockholders of the Company, an electronic transmission of a stockholder written consent given pursuant to such solicitation, to be effective, must be delivered by electronic mail or facsimile telecommunications to the Secretary or the President of the Company or to a person designated by the Company for receiving such consent, or delivered to an information processing system designated by the Company for receiving such consent.

Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for notice of such meeting had been the date that written consents signed by a sufficient number of holders to take the action were delivered to the Company as provided in Section 228 of the DGCL. In the event that the action which is consented to is such as would have required the filing of a certificate under any provision of the DGCL, if such action had been voted on by stockholders at a meeting thereof, the certificate filed under such provision shall state, in lieu of any statement required by such provision concerning any vote of stockholders, that written consent has been given in accordance with Section 228 of the DGCL.

For the avoidance of doubt, the provisions of **section 1.4** concerning advance notice of stockholder business or the nomination or election of directors shall not apply to any action by stockholder written consent.

1.11 Record Dates. In order that the Company may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board and which record date shall not be more than 60 nor less than 10 days before the date of such meeting. If the Board so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination.

If no record date is fixed by the Board, the record date for determining stockholders entitled to notice of and to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided, however,* that the Board may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance with the provisions of Section 213 of the DGCL and this **section 1.111** at the adjourned meeting.

In order that the Company may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which date shall not be more than 10 days after the date upon which the resolution fixing the record date is adopted by the Board. If no record date has been fixed by the Board, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board is required by law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Company in accordance with applicable law. If no record date has been fixed by the Board and prior action by the Board is required by law, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the Board adopts the resolution taking such prior action.

In order that the Company may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

1.12 Proxies. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy authorized by a document or by an electronic transmission permitted by law filed in accordance with the procedure established for the meeting, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of Section 212 of the DGCL.

1.13 List of Stockholders Entitled to Vote. The Company shall prepare, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting; *provided, however*, if the record date for determining the stockholders entitled to vote is less than 10 days before the meeting date, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. The Company shall not be required to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder for any purpose germane to the meeting for a period of at least ten days prior to the meeting: (i) on a reasonably accessible electronic network, *provided* that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the Company's principal place of business. In the event that the Company determines to make the list available on an electronic network, the Company may take reasonable steps to ensure that such information is available only to stockholders of the Company. If the meeting is to be held at a place, then a list of stockholders entitled to vote at the meeting shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be examined by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then such list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting.

ARTICLE II — DIRECTORS

2.1 Powers. The business and affairs of the Company shall be managed by or under the direction of the Board, except as may be otherwise provided in the DGCL or the certificate of incorporation.

2.2 Number of Directors. The Board shall consist of one or more members, each of whom shall be a natural person. Unless the certificate of incorporation fixes the number of directors, the number of directors shall be determined from time to time by resolution of the Board. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

2.3 Election, Qualification and Term of Office of Directors. Except as provided in **section 2.4** of these bylaws, and subject to **sections 1.2** and **1.10** of these bylaws, directors shall be elected at each annual meeting of stockholders. Directors need not be stockholders unless so required by the certificate of incorporation or these bylaws. The certificate of incorporation or these bylaws may prescribe other qualifications for directors. Each director shall hold office until such director's successor is elected and qualified or until such director's earlier death, resignation or removal. If so provided in the certificate of incorporation, the directors of the Company shall be divided into three classes.

2.4 Resignation and Vacancies. Any director may resign at any time upon notice given in writing or by electronic transmission to the Company. A resignation is effective when the resignation is delivered unless the resignation specifies a later effective date or an effective date determined upon the happening of an event or events. A resignation which is conditioned upon the director failing to receive a specified vote for reelection as a director may provide that it is irrevocable. Unless otherwise provided in the certificate of incorporation or these bylaws, when one or more directors resign from the Board, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective.

Unless otherwise provided in the certificate of incorporation or these bylaws:

(i) Vacancies and newly created directorships resulting from any increase in the authorized number of directors elected by all of the stockholders having the right to vote as a single class may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director and, following the Series B Threshold Date (as such term is defined in the certificate of incorporation of the Company), may not be filled by stockholders.

(ii) Whenever the holders of any class or classes of stock or series thereof are entitled to elect one or more directors by the provisions of the certificate of incorporation, vacancies and newly created directorships of such class or classes or series may be filled by a majority of the directors elected by such class or classes or series thereof then in office, or by a sole remaining director so elected.

If at any time, by reason of death or resignation or other cause, the Company should have no directors in office, then any officer or any stockholder or an executor, administrator, trustee or guardian of a stockholder, or other fiduciary entrusted with like responsibility for the person or estate of a stockholder, may call a special meeting of stockholders in accordance with the provisions of the certificate of incorporation or these bylaws, or may apply to the Court of Chancery for a decree summarily ordering an election as provided in Section 211 of the DGCL.

If, at the time of filling any vacancy or any newly created directorship, the directors then in office constitute less than a majority of the whole Board (as constituted immediately prior to any such increase), the Court of Chancery may, upon application of any stockholder or stockholders holding at least 10% of the voting stock at the time outstanding having the right to vote for such directors, summarily order an election to be held to fill any such vacancies or newly created directorships, or to replace the directors chosen by the directors then in office as aforesaid, which election shall be governed by the provisions of Section 211 of the DGCL as far as applicable.

A director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office and until such director's successor is elected and qualified, or until such director's earlier death, resignation or removal.

2.5 *Place of Meetings; Meetings by Telephone.* The Board may hold meetings, both regular and special, either within or outside the State of Delaware.

Unless otherwise restricted by the certificate of incorporation or these bylaws, members of the Board, or any committee designated by the Board or any subcommittee, may participate in a meeting of the Board, or any such committee or subcommittee, by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

2.6 *Conduct of Business.* Meetings of the Board shall be presided over by the Chairperson of the Board, if any, or in his or her absence by the Vice Chairperson of the Board, if any, or in the absence of the foregoing persons by a chairperson designated by the Board, or in the absence of such designation by a chairperson chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his or her absence the chairperson of the meeting may appoint any person to act as secretary of the meeting.

2.7 *Regular Meetings.* Regular meetings of the Board may be held without notice at such time and at such place as shall from time to time be determined by the Board.

2.8 *Special Meetings; Notice.* Special meetings of the Board for any purpose or purposes may be called at any time by the Chairperson of the Board, the Chief Executive Officer, the President, the Secretary or any two directors.

Notice of the time and place of special meetings shall be:

- (i) delivered personally by hand, by courier or by telephone;
- (ii) sent by United States first-class mail, postage prepaid; or
- (iii) given by electronic transmission,

directed to each director at that director's address or telephone number, or by means of electronic transmission, as the case may be, as shown on the Company's records.

If the notice is delivered personally by hand, by courier, or by telephone, or given by means of electronic transmission, it shall be delivered, sent or otherwise directed to each director, as applicable, at least 24 hours before the time of the holding of the meeting. If the notice is sent by United States mail, it shall be deposited in the United States mail at least four days before the time of the holding of the meeting. Any oral notice may be communicated to the director. The notice need not specify the place of the meeting (if the meeting is to be held at the Company's principal executive office) nor the purpose of the meeting, to the fullest extent permitted by applicable law.

2.9 Quorum; Voting. At all meetings of the Board, the presence of at least a majority of the directors in office from time to time shall constitute a quorum for the transaction of business; *provided* that in no case shall the presence of less than 1/3 of the total authorized directorships constitute a quorum. If a quorum is not present at any meeting of the Board, then the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

The affirmative vote of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board, except as may be otherwise specifically provided by statute, the certificate of incorporation or these bylaws.

If the certificate of incorporation provides that one or more directors shall have more or less than one vote per director on any matter, every reference in these bylaws to a majority or other proportion of the directors shall refer to a majority or other proportion of the votes of the directors.

2.10 Board Action by Written Consent Without a Meeting. Unless otherwise restricted by the certificate of incorporation or these bylaws, any action required or permitted to be taken at any meeting of the Board, or of any committee or subcommittee thereof, may be taken without a meeting if all members of the Board or committee or subcommittee, as the case may be, consent thereto in writing or by electronic transmission. Any person (whether or not then a director) may provide, whether through instruction to an agent or otherwise, that a consent to action will be effective at a future time (including a time determined upon the happening of an event), no later than 60 days after such instruction is given or such provision is made and such consent shall be deemed to have been given for purposes of this **section 2.10** at such effective time so long as such person is then a director and did not revoke the consent prior to such time. Any such consent shall be revocable prior to its becoming effective. After an action is taken, the consent or consents relating thereto shall be filed with the minutes of the proceedings of the Board, or the committee or subcommittee thereof, in the same paper or electronic form as the minutes are maintained.

2.11 Fees and Compensation of Directors. Unless otherwise restricted by the certificate of incorporation or these bylaws, the Board shall have the authority to fix the compensation of directors.

2.12 Removal of Directors. Any director or the entire Board may be removed as provided in the certificate of incorporation and Section 141(k) of the DGCL.

No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of such director's term of office.

ARTICLE III — COMMITTEES

3.1 Committees of Directors. The Board may designate one or more committees, each committee to consist of one or more of the directors of the Company. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board or in these bylaws, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Company, and may authorize the seal of the Company to be affixed to all papers that may require it; but no such committee shall have the power or authority to (i) approve or adopt, or recommend to the stockholders, any action or matter (other than the election or removal of directors) expressly required by the DGCL to be submitted to stockholders for approval or (ii) adopt, amend or repeal any bylaw of the Company.

3.2 Committee Minutes. Each committee and subcommittee shall keep regular minutes of its meetings and report the same to the Board, or the committee, when required.

3.3 Meetings and Actions of Committees. A majority of the directors then serving on a committee or subcommittee shall constitute a quorum for the transaction of business by the committee or subcommittee, unless the certificate of incorporation, these bylaws, a resolution of the Board or a resolution of a committee that created the subcommittee requires a greater or lesser number, *provided* that in no case shall a quorum be less than 1/3 of the directors then serving on the committee or subcommittee. The vote of the majority of the members of a committee or subcommittee present at a meeting at which a quorum is present shall be the act of the committee or subcommittee, unless the certificate of incorporation, these bylaws, a resolution of the Board or a resolution of a committee that created the subcommittee requires a greater number. Meetings and actions of committees and subcommittees shall otherwise be governed by, and held and taken in accordance with, the provisions of:

- (i) **section 2.5** (Place of Meetings; Meetings by Telephone);
- (ii) **section 2.7** (Regular Meetings);
- (iii) **section 2.8** (Special Meetings; Notice);
- (iv) **section 2.9** (Quorum; Voting);
- (v) **section 2.10** (Board Action by Written Consent Without a Meeting); and
- (vi) **section 7.4** (Waiver of Notice)

with such changes in the context of those bylaws as are necessary to substitute the committee or subcommittee and its members for the Board and its members. *However:*

- (i) the time and place of regular meetings of committees and subcommittees may be determined either by resolution of the Board or by resolution of the committee or subcommittee;
- (ii) special meetings of committees and subcommittees may also be called by resolution of the Board or the committee or subcommittee; and
- (iii) notice of special meetings of committees and subcommittees shall also be given to all alternate members, as applicable, who shall have the right to attend all meetings of the committee or subcommittee. The Board, or, in the absence of any such action by the Board, the committee or subcommittee, may adopt rules for the government of any committee or subcommittee not inconsistent with the provisions of these bylaws.

Any provision in the certificate of incorporation providing that one or more directors shall have more or less than one vote per director on any matter shall apply to voting in any committee or subcommittee, unless otherwise provided in the certificate of incorporation or these bylaws.

3.4 Subcommittees. Unless otherwise provided in the certificate of incorporation, these bylaws or the resolutions of the Board designating the committee, a committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and delegate to a subcommittee any or all of the powers and authority of the committee.

ARTICLE IV — OFFICERS

4.1 Officers. The officers of the Company shall be a Chief Executive Officer, a President and a Secretary. The Company may also have, at the discretion of the Board, a Chairperson of the Board, a Vice Chairperson of the Board, one or more Vice Presidents, a Chief Financial Officer, Chief Operating Officer, a Treasurer, one or more Assistant Treasurers, one or more Assistant Secretaries and any such other officers as may be appointed in accordance with the provisions of these bylaws. Any number of offices may be held by the same person.

4.2 Appointment of Officers. The Board shall appoint the officers of the Company, except such officers as may be appointed in accordance with the provisions of **section 4.3** of these bylaws.

4.3 Subordinate Officers. The Board may appoint, or empower the Chief Executive Officer or, in the absence of a Chief Executive Officer, the President, to appoint, such other officers and agents as the business of the Company may require. Each of such officers and agents shall hold office for such period, have such authority and perform such duties as are provided in these bylaws or as the Board may from time to time determine.

4.4 Removal and Resignation of Officers. Any officer may be removed, either with or without cause, by the Board or, for the avoidance of doubt, any duly authorized committee or subcommittee thereof or by any officer upon whom such power of removal has been conferred by the Board or, for the avoidance of doubt, any duly authorized committee or subcommittee thereof.

Any officer may resign at any time by giving written notice to the Company. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice. Unless otherwise specified in the notice of resignation, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Company under any contract to which the officer is a party.

4.5 Vacancies in Offices. Any vacancy occurring in any office of the Company shall be filled by the Board or as provided in **section 4.3** of these bylaws.

4.6 Representation of Securities of Other Corporations or Entities. Unless otherwise directed by the Board, the Chief Executive Officer or, in the absence of a Chief Executive Officer, the President or any other person authorized by the Board, the Chief Executive Officer or, in the absence of a Chief Executive Officer, the President is authorized to vote, represent and exercise on behalf of the Company all rights incident to any and all shares or other securities or interests in, or issued by, any other entity or entities, and all rights incident to any management authority conferred on the Company in accordance with the governing documents of any entity or entities, standing in the name of the Company, including the right to act by written consent in lieu of a meeting. The authority granted herein may be exercised either by such person directly or by any other person authorized to do so by proxy or power of attorney duly executed by such person having the authority.

4.7 Authority and Duties of Officers. Except as otherwise provided in these bylaws, the officers of the Company shall have such powers and duties in the management of the Company as may be designated from time to time by the Board and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the Board.

ARTICLE V — INDEMNIFICATION

5.1 Indemnification of Directors and Officers in Third Party Proceedings. Subject to the other provisions of this **Article V**, the Company shall indemnify, to the fullest extent permitted by the DGCL, as now or hereinafter in effect, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a “**Proceeding**”) (other than an action by or in the right of the Company) by reason of the fact that such person is or was a director or officer of the Company, or is or was a director or officer of the Company serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such Proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person’s conduct was unlawful. The termination of any Proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such person’s conduct was unlawful.

5.2 Indemnification of Directors and Officers in Actions by or in the Right of the Company. Subject to the other provisions of this **Article V**, the Company shall indemnify, to the fullest extent permitted by the DGCL, as now or hereinafter in effect, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Company to procure a judgment in its favor by reason of the fact that such person is or was a director or officer of the Company, or is or was a director or officer of the Company serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys’ fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Company; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Company unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

5.3 Successful Defense. To the extent that a present or former director or officer (as such term is defined in Section 145(c) of the DGCL) of the Company has been successful on the merits or otherwise in defense of any action, suit or proceeding described in **section 5.1** or **section 5.2** of these bylaws, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys’ fees) actually and reasonably incurred by such person in connection therewith.

5.4 Indemnification of Others. Subject to the other provisions of this **Article V**, the Company shall have power to indemnify its employees and agents to the extent not prohibited by the DGCL or other applicable law. The Board shall have the power to delegate to any person or persons identified in subsections (1) through (4) of Section 145(d) of the DGCL the determination of whether employees or agents shall be indemnified.

5.5 Advanced Payment of Expenses. Expenses (including attorneys' fees) actually and reasonably incurred by an officer or director of the Company in defending any Proceeding shall be paid by the Company in advance of the final disposition of such Proceeding upon receipt of a written request therefor (together with documentation reasonably evidencing such expenses) and an undertaking by or on behalf of the person to repay such amounts if it shall ultimately be determined that the person is not entitled to be indemnified under this **Article V** or the DGCL. Such expenses (including attorneys' fees) actually and reasonably incurred by former directors and officers or other employees and agents of the Company or by persons serving at the request of the Company as directors, officers, employees or agents of another corporation, partnership, joint venture, trust or other enterprise may be so paid upon such terms and conditions, if any, as the Company deems appropriate. The right to advancement of expenses shall not apply to any Proceeding (or any part of any Proceeding) for which indemnity is excluded pursuant to these bylaws, but shall apply to any Proceeding (or any part of any Proceeding) referenced in **section 5.6(ii)** or **5.6(iii)** of these bylaws prior to a determination that the person is not entitled to be indemnified by the Company.

5.6 Limitation on Indemnification. Subject to the requirements in **section 5.3** of these bylaws and the DGCL, the Company shall not be obligated to indemnify any person pursuant to this **Article V** in connection with any Proceeding (or any part of any Proceeding):

- (i) for which payment has actually been made to or on behalf of such person under any statute, insurance policy, indemnity provision, vote or otherwise, except with respect to any excess beyond the amount paid;
- (ii) for an accounting or disgorgement of profits pursuant to Section 16(b) of the Securities Exchange Act of 1934, as amended, or similar provisions of federal, state or local statutory law or common law, if such person is held liable therefor (including pursuant to any settlement arrangements);
- (iii) for any reimbursement of the Company by such person of any bonus or other incentive-based or equity-based compensation or of any profits realized by such person from the sale of securities of the Company, as required in each case under the Securities Exchange Act of 1934, as amended (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "**Sarbanes-Oxley Act**"), or the payment to the Company of profits arising from the purchase and sale by such person of securities in violation of Section 306 of the Sarbanes-Oxley Act), if such person is held liable therefor (including pursuant to any settlement arrangements);
- (iv) initiated by such person, including any Proceeding (or any part of any Proceeding) initiated by such person against the Company or its directors, officers, employees, agents or other indemnitees, unless (a) the Board authorized the Proceeding (or the relevant part of the Proceeding) prior to its initiation, (b) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law, (c) otherwise required to be made under **section 5.7** of these bylaws or (d) otherwise required by applicable law; or

- (v) if prohibited by applicable law.

5.7 Determination; Claim. If a claim for indemnification or advancement of expenses under this **Article V** is not paid by the Company or on its behalf within 90 days after receipt by the Company of a written request therefor, the claimant shall be entitled to an adjudication by a court of competent jurisdiction of his or her entitlement to such indemnification or advancement of expenses. To the extent not prohibited by law, the Company shall indemnify such person against all expenses actually and reasonably incurred by such person in connection with any action for indemnification or advancement of expenses from the Company under this **Article V**, to the extent such person is successful in such action. In any such suit, the Company shall, to the fullest extent not prohibited by law, have the burden of proving that the claimant is not entitled to the requested indemnification or advancement of expenses.

5.8 Non-Exclusivity of Rights. The indemnification and advancement of expenses provided by, or granted pursuant to, this **Article V** shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the certificate of incorporation or any statute, bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office. The Company is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advancement of expenses, to the fullest extent not prohibited by the DGCL or other applicable law.

5.9 Insurance. The Company may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Company would have the power to indemnify such person against such liability under the provisions of the DGCL.

5.10 Survival. The rights to indemnification and advancement of expenses conferred by this **Article V** shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

5.11 Effect of Repeal or Modification. A right to indemnification or to advancement of expenses arising under a provision of the certificate of incorporation or a bylaw shall not be eliminated or impaired by an amendment to the certificate of incorporation or these bylaws after the occurrence of the act or omission that is the subject of the civil, criminal, administrative or investigative action, suit or proceeding for which indemnification or advancement of expenses is sought, unless the provision in effect at the time of such act or omission explicitly authorizes such elimination or impairment after such action or omission has occurred.

5.12 Certain Definitions. For purposes of this **Article V**, references to the "**Company**" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this **Article V** with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued. For purposes of this **Article V**, references to "**other enterprises**" shall include employee benefit plans; references to "**finances**" shall include any excise taxes assessed on a person with respect to an employee benefit plan; references to "**serving at the request of the Company**" shall include any service as a director, officer, employee or agent of the Company which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "**not opposed to the best interests of the Company**" as referred to in this **Article V**.

ARTICLE VI — STOCK

6.1 *Stock Certificates; Partly Paid Shares.* The shares of the Company shall be represented by certificates, *provided* that the Board may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Company. Unless otherwise provided by resolution of the Board, every holder of stock represented by certificates shall be entitled to have a certificate signed by, or in the name of, the Company by any two officers of the Company representing the number of shares registered in certificate form. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Company with the same effect as if such person were such officer, transfer agent or registrar at the date of issue. The Company shall not have power to issue a certificate in bearer form.

The Company may issue the whole or any part of its shares as partly paid and subject to call for the remainder of the consideration to be paid therefor. Upon the face or back of each stock certificate issued to represent any such partly paid shares, or upon the books and records of the Company in the case of uncertificated partly paid shares, the total amount of the consideration to be paid therefor and the amount paid thereon shall be stated. Upon the declaration of any dividend on fully paid shares, the Company shall declare a dividend upon partly paid shares of the same class, but only upon the basis of the percentage of the consideration actually paid thereon.

6.2 *Special Designation on Certificates.* If the Company is authorized to issue more than one class of stock or more than one series of any class, then the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate that the Company shall issue to represent such class or series of stock; *provided* that, except as otherwise provided in Section 202 of the DGCL, in lieu of the foregoing requirements, there may be set forth on the face or back of the certificate that the Company shall issue to represent such class or series of stock, a statement that the Company will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Within a reasonable time after the issuance or transfer of uncertificated stock, the registered owner thereof shall be given a notice, in writing or by electronic transmission, containing the information required to be set forth or stated on certificates pursuant to this **section 6.2** or Sections 156, 202(a), 218(a) or 364 of the DGCL or with respect to this **section 6.2** a statement that the Company will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Except as otherwise expressly provided by law, the rights and obligations of the holders of uncertificated stock and the rights and obligations of the holders of certificates representing stock of the same class and series shall be identical.

6.3 Lost Certificates. Except as provided in this **section 6.3**, no new certificates for shares shall be issued to replace a previously issued certificate unless the latter is surrendered to the Company and cancelled at the same time. The Company may issue a new certificate of stock or uncertificated shares in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Company may require the owner of the lost, stolen or destroyed certificate, or such owner's legal representative, to give the Company a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares.

6.4 Dividends. The Board, subject to any restrictions contained in the certificate of incorporation or applicable law, may declare and pay dividends upon the shares of the Company's capital stock. Dividends may be paid in cash, in property or in shares of the Company's capital stock, subject to the provisions of the certificate of incorporation.

The Board may set apart out of any of the funds of the Company available for dividends a reserve or reserves for any proper purpose and may abolish any such reserve.

6.5 Stock Transfer Agreements. The Company shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the Company to restrict the transfer of shares of stock of the Company of any one or more classes owned by such stockholders in any manner not prohibited by the DGCL.

6.6 Registered Stockholders. The Company:

(i) shall be entitled to treat the person registered on its books as the owner of any share or shares as the person exclusively entitled to receive dividends, vote, receive notifications and otherwise exercise all the rights and powers of an owner of such share or shares; and

(ii) shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of another person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

6.7 Transfers. Transfers of record of shares of stock of the Company shall be made only upon its books by the holders thereof, in person or by an attorney duly authorized, and, if such stock is certificated, upon the surrender of a certificate or certificates for a like number of shares, properly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer.

ARTICLE VII— MANNER OF GIVING NOTICE AND WAIVER

7.1 *Notice of Stockholders Meetings.*

Notice of any meeting of stockholders shall be given in the manner set forth in the DGCL.

7.2 *Notice to Stockholders Sharing an Address.*

Except as otherwise prohibited under the DGCL, without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders given by the Company under the provisions of the DGCL, the certificate of incorporation or these bylaws shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. Any such consent shall be revocable by the stockholder by written notice to the Company. Any stockholder who fails to object in writing to the Company, within 60 days of having been given written notice by the Company of its intention to send the single notice, shall be deemed to have consented to receiving such single written notice. This **section 7.2** shall not apply to Sections 164, 296, 311, 312 or 324 of the DGCL.

7.3 *Notice to Person with Whom Communication is Unlawful.*

Whenever notice is required to be given, under the DGCL, the certificate of incorporation or these bylaws, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting which shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the Company is such as to require the filing of a certificate under the DGCL, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

7.4 *Waiver of Notice.*

Whenever notice is required to be given under any provision of the DGCL, the certificate of incorporation or these bylaws, a written waiver, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders need be specified in any written waiver of notice or any waiver by electronic transmission unless so required by the certificate of incorporation or these bylaws.

ARTICLE VIII — GENERAL MATTERS

8.1 *Fiscal Year.* The fiscal year of the Company shall be fixed by resolution of the Board and may be changed by the Board.

8.2 Seal. The Company may adopt a corporate seal, which shall be in such form as may be approved from time to time by the Board. The Company may use the corporate seal by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

8.3 Annual Report. The Company shall cause an annual report to be sent to the stockholders of the Company to the extent required by applicable law. If and so long as there are fewer than 100 holders of record of the Company's shares, the requirement of sending an annual report to the stockholders of the Company is expressly waived (to the extent permitted under applicable law).

8.4 Construction; Definitions. Unless the context requires otherwise, the general provisions, rules of construction and definitions in the DGCL shall govern the construction of these bylaws. Without limiting the generality of this provision, the singular number includes the plural, the plural number includes the singular, and the term "*person*" includes a corporation, any other entity and a natural person.

8.5 Forum Selection.

Unless the Company consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, another State court in Delaware or the federal district court for the District of Delaware) shall, to the fullest extent permitted by law, be the sole and exclusive forum for (a) any derivative action or proceeding brought on behalf of the Company, (b) any action asserting a claim of breach of a fiduciary duty owed by any director, stockholder, officer or other employee of the Company to the Company or the Company's stockholders, (c) any action arising pursuant to any provision of the DGCL or the certificate of incorporation or these bylaws (as either may be amended from time to time) or (d) any action asserting a claim governed by the internal affairs doctrine, except for, as to each of (a) through (d) above, any claim as to which such court determines that there is an indispensable party not subject to the jurisdiction of such court (and the indispensable party does not consent to the personal jurisdiction of such court within 10 days following such determination), which is vested in the exclusive jurisdiction of a court or forum other than such court or for which such court does not have subject matter jurisdiction. For the avoidance of doubt, nothing contained in this first paragraph of **section 8.5** shall apply to any action brought to enforce a duty or liability created by the Securities Act of 1933 or the 1934 Act or any successor thereto.

Unless the Company consents in writing to the selection of an alternative forum, the federal district courts of the United States shall be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended.

Any person or entity purchasing or otherwise acquiring any interest in any security of the Company shall be deemed to have notice of and consented to the provisions of this **section 8.5**.

ARTICLE IX — AMENDMENTS

These bylaws may be adopted, amended or repealed by the stockholders entitled to vote. However, the Company may, in its certificate of incorporation, confer the power to adopt, amend or repeal bylaws upon the directors. The fact that such power has been so conferred upon the directors shall not divest the stockholders of the power, nor limit their power to adopt, amend or repeal bylaws.

A bylaw amendment adopted by stockholders which specifies the votes that shall be necessary for the election of directors shall not be further amended or repealed by the Board.

FORM OF SUBSCRIPTION AGREEMENT*

This is a Subscription for Class A Common Stock issued by
EXODUS MOVEMENT, INC.

EXODUS MOVEMENT, INC. SUBSCRIBER QUESTIONNAIRE

In connection with the subscription for shares of Class A Common Stock (the "Common Stock") issued by Exodus Movement, Inc., a Delaware corporation (the "Company"), please complete the following Subscriber Questionnaire. The offer and sale of the shares of Common Stock is being made by the Company and certain selling stockholders (the "Selling Stockholders") pursuant to an offering statement (the "Offering Circular") filed with the U.S. Securities and Exchange Commission pursuant to Regulation A ("Regulation A") under the Securities Act of 1933, as amended ("Securities Act").

The Company intends to use the net proceeds of this offering for the continued expansion of the Exodus platform, with a focus on software development, and increasing the Company's marketing efforts to attract additional customers to the Exodus platform. The Company will not receive any proceeds from the sale of shares of Common Stock by the Selling Stockholders.

The potential subscriber in the Common Stock shall be referred to in this Agreement as the "Subscriber." This Subscriber Questionnaire should be completed either by the Subscriber or, if the Subscriber is an entity, by an authorized representative of the Subscriber.

The Subscriber Questionnaire and the Subscription Agreement are collectively referred to as the "Agreement." If the Subscriber Questionnaire indicates that any Subscriber's response to a question requires further information, the Subscriber should contact the Company as soon as possible. Subscribers must complete and return all other additional required documentation, including an IRS Form W-9.

1. U.S. Person or Entity Status.

- ☐ I represent and warrant that the Subscriber is a United States citizen or resident or a corporation, partnership, limited liability company, trust, or equivalent legal entity organized under the laws of any state of the United States.

2. Accredited Investor or Qualified Purchaser Status.

To invest in this offering, the Subscriber must either be an "accredited investor," within the meaning of Rule 501(a) under the Securities Act, or the Subscriber must be a "qualified purchaser," within the meaning of Regulation A under the Securities Act. Please select the appropriate status of the Subscriber:

- ☐ Accredited Investor Status. I represent and warrant that the Subscriber is an "accredited investor," within the meaning of Rule 501(a) under the Securities Act, and the Subscriber has been authenticated and verified by the Company's accreditation service as an accredited investor.

* At the time commencement of the Offering, the subscription agreement will be integrated into the Exodus Platform. The content will remain substantially the same as this document version, however, the format and layout will conform to the technological requirements of the Exodus Platform.

- ☐ **Qualified Purchaser Status.** I represent and warrant that the Subscriber is a "qualified purchaser," as defined in Regulation A of the Securities Act, based on the fact that either:
- a. I am the Subscriber and I am a natural person. I am not investing more than the greater of either 10% of my net worth¹ or 10% of my annual income²; or
- b. The Subscriber is not a natural person, and the Subscriber is not investing more than the greater of the following, as calculated for the most recently completed fiscal year end:
- (a) 10% of the Subscriber's revenue; or
- (b) 10% of the Subscriber's net assets.

3. **ERISA.** Benefit Plan Investor Status. I represent and warrant that the Subscriber is not, and neither I nor the Subscriber is acting (directly or indirectly) on behalf of, any of the following (select all that do NOT apply):

- ☐ An employee benefit plan (within the meaning of Section 3(3) of the Employee Retirement Income Security Act ("**ERISA**")), whether or not the plan is subject to Title I of ERISA; a plan, individual retirement account or other arrangement that is subject to Section 4975 of the Internal Revenue Code ("**Code**"); a "benefit plan investor" within the meaning of 29 C.F.R. Section 2510.3-101; a "governmental plan" within the meaning of Section 3(32) of ERISA; or a person that is deemed to hold "plan assets" under the ERISA plan assets regulations, and consequently subject to regulation under ERISA.
- ☐ An entity 25% or more of the value of any class of equity of which is held by entities described in the paragraph above; provided that for purposes of making the determination, the value of any equity interest held by a person (other than an entity described in the beginning of this item) who has discretionary authority or control with respect to the assets of the entity or a person who provides investment advice for a fee (direct or indirect) with respect to those assets, or any affiliate of that person, will be disregarded.

¹ For purposes of this paragraph, "net worth" must be calculated as set forth in Rule 501(a) under the Securities Act of 1933, as amended. In general, "net worth" means the excess of total assets at fair market value over total liabilities. For the purposes of determining "net worth," the primary residence owned by an individual shall be excluded as an asset. Any liabilities secured by the primary residence should be included in total liabilities only if and to the extent that: (1) such liabilities exceed the fair market value of the residence; or (2) such liabilities were incurred within 60 days before the sale of the Common Stock (other than as a result of the acquisition of the primary residence).

² For purposes of this paragraph, "annual income" must be calculated as set forth in Rule 501(a) under the Securities Act of 1933, as amended, which requires natural persons to consider their income in the two most recent years and a reasonable expectation of income for the current year.

- A "benefit plan investor" based on the immediately preceding item, that is subject to Title I of ERISA or Section 4975 of the Code.

4. **Additional Information.**

BY PURCHASING SHARES OF COMMON STOCK, THE SUBSCRIBER EXPRESSLY ACKNOWLEDGES AND ASSUMES THESE RISKS.

- The Subscriber represents and warrants that the Subscriber has sufficient knowledge, understanding, and experience, either independently or together with the Subscriber's purchaser representative(s), in financial and business matters to understand the terms of this Agreement and the offering materials, and such knowledge, understanding, and experience enables the Subscriber to evaluate the merits and risks of purchasing the shares of Common Stock. The Subscriber acknowledges that the Subscription Information has been prepared without taking into account the Subscriber's objectives, financial situation, or needs, or those of any other person. The Subscriber acknowledges that it is recommended that the Subscriber seek independent legal, financial, accounting, and taxation advice before making a decision to acquire, subscribe for, or purchase shares of the Common Stock.
- The Subscriber agrees that at any time in the future at which the Subscriber may acquire shares of Common Stock, the Subscriber shall be deemed to have reaffirmed, as of the date of acquisition of the shares of Common Stock, each and every representation and warranty made by the Subscriber in this Agreement or any other instrument provided by the Subscriber to the Company in connection with that acquisition, except to the extent modified in writing by the Subscriber and consented to by the Company.
- The Subscriber agrees on behalf of the Subscriber and the Subscriber's successors and assigns, without further consideration, to prepare, execute, acknowledge, file, record, publish and deliver any other instruments, documents and statements and to take any other actions as the Company may determine to be necessary or appropriate to comply with applicable law and to effectuate and carry out the purposes of this Agreement. The Subscriber further agrees that the Company may, in its sole discretion, refuse to sell the Subscriber shares of Common Stock if, among other things, the Subscriber refuses to comply with this provision.

5. **Review of Subscription Information.**

- ☐ The Subscriber acknowledges and agrees that the Subscriber has received, and should read and carefully review, the following documents (collectively, the "**Subscription Information**") in connection with submitting this Subscriber Questionnaire:
- a. The Offering Circular;
 - b. The privacy notice for the Company and its affiliates ("**Privacy Notice**"); and
 - c. This Agreement, which sets forth the terms governing my subscription for shares of Common Stock, and sets forth certain representations I am making in connection with my subscription to for shares of Common Stock.

6. ***Resident Status of Arizona, Florida and Texas.***

I am not an individual, partnership, corporation, association, joint stock association, trust or other entity, however organized, that resides, is located, has a place of business, or is conducting business in the state of Arizona, Florida or Texas.

7. **Subscriber Information.**

Signatory name:

Entity Name:

Signatory title (if applicable):

Entity address:

E-Mail Address:

Aggregate Investment (USD value):

Price per share of Common Stock: [\$0.00]

Payment Method (USDC, Bitcoin or Ether):

If your purchase is accepted, any crypto asset payment will be held in the Company's Regulation A crypto asset escrow wallet (the "**Escrow Wallet**") until the closing of this offering, and the purchaser's payment information will be transmitted to the Transfer Agent under the terms described in the Offering Circular. Upon the closing of this offering, the Transfer Agent will record the issuance of each share of Class A common stock to the relevant purchasers via the book-entry method. Upon completion of the book-entry record, the Transfer Agent will also then transfer one Common Stock Token per share of Class A common stock purchased to the purchaser's Exodus wallet, the address of which the purchaser will have provided to the Transfer Agent during the process of creating their account with the Transfer Agent.

Important: When you create an Exodus wallet address, please do NOT disclose your private key to your Exodus wallet. The Company will never ask you for your private key.

- ☐ I represent and warrant to the Company that the answers provided in this Subscriber Questionnaire are current, true, correct and complete and may be relied upon by the Company and its respective affiliates in evaluating my eligibility, or the eligibility of the entity that I represent, as a Subscriber and determining whether to accept this Agreement. I will notify the Company of any change to the information provided in this Subscriber Questionnaire promptly, but in any event within fifteen days of such change.
- ☐ I agree to be bound (or, if I am an authorized representative of the Subscriber, I agree that the Subscriber will be bound) by any affirmation, assent or agreement that I transmit to or through this website by computer or other electronic device, including internet, telephonic and wireless devices, including, but not limited to, any consent I give to receive communications from the Company or any of its affiliates solely through electronic transmission. I agree that when I click on an "I Agree," "I Consent" or other similarly worded button or entry field with my mouse, keystroke or other device, my agreement or consent will be legally binding and enforceable against me (or, if I am an authorized representative of the Subscriber, against the Subscriber) and will be the legal equivalent of my handwritten signature on an agreement that is printed on paper. I agree that the Company and any of their affiliates will send me electronic copies of any and all communications associated with my subscription to the shares of Common Stock, as provided in Section 6 of this Subscriber Questionnaire and Section 11 below of the Subscription Agreement.
- ☐ I represent and warrant to the Company that all questions and responses provided by the Subscriber in the course of completing the "purchase flow" process, including without limitation, the information reflected in this Subscriber Questionnaire, as well as Subscriber's contact information, address, and account information, Subscriber's social security number if Subscriber is a natural person, and, if Subscriber is an entity, Subscriber's tax identification number and whether Subscriber is an S Corporation, C Corporation, Grantor Trust, Limited Partnership, General Partnership, Limited Liability Partnership, Limited Liability Company, Estate, or other type of entity, is current, true, correct and complete and may be relied upon by the Company and its respective affiliates. I will notify the Company of any change to this information promptly, but in any event within fifteen days of such change.

SUBSCRIPTION AGREEMENT

This Subscription Agreement (this "**Agreement**") is made among the undersigned (the "**Subscriber**"), Exodus Movement, Inc., a Delaware corporation (the "**Company**") and the Selling Stockholders. Capitalized terms used but not defined in this Agreement have the meanings assigned to them in the attached Glossary of Terms.

This Agreement relates to the Subscriber's irrevocable subscription for shares of Common Stock in the Offering, as set forth in Section 1 below, which is being made by the Company and the Selling Stockholders (together, the "**Sellers**") pursuant to the Offering Circular. The Offering Circular is available through the Company's online website platform, www.exodus.io/offering (the "**Site**"), as well as the SEC's EDGAR website.

The shares of Common Stock to be purchased by the Subscriber (subject to acceptance of such subscription by the Sellers) may either be (i) issued and sold directly by the Company or (ii) sold by the Selling Stockholders (including, in the case of Selling Stockholders holding shares of the Company's Class B common stock, shares of Common Stock issued upon the automatic conversion thereof). Such shares of Common Stock are referred to in this Agreement as the "**Shares**."

The parties therefore agree as follows:

SUBSCRIBER'S REPRESENTATIONS, WARRANTIES AND COVENANTS

1. Subscription for and Purchase of the Shares.

1.1 Subject to the express terms and conditions of this Agreement, the Subscriber hereby irrevocably subscribes for and agrees to purchase the Shares from Sellers (the "**Purchase**"), for the purchase price set forth in the Subscriber Questionnaire (the "**Purchase Price**"). The Company will determine in its sole discretion whether the Shares will be issued and sold by the Company or by one or more Selling Stockholders.

1.2 Once the Subscriber's subscription for the Shares is accepted by the Sellers (as evidenced by the Sellers' counter signature to this Agreement), the commitment is irrevocable (except pursuant to Section 16 of this Agreement) until the Shares are issued, the Purchase is rejected by the Company, or the Company otherwise determines not to consummate the transaction.

1.3 The Company has the right to reject this Agreement in whole or in part for any reason. Once the Agreement is accepted by the Sellers, the Subscriber may not cancel, terminate or revoke this Agreement (except pursuant to Section 16 herein), which, in the case of an individual, shall survive his death or disability and shall be binding upon the Subscriber, his heirs, trustees, beneficiaries, executors, personal or legal administrators or representatives, successors, transferees and assigns.

1.4 The Purchase Price shall be paid concurrently with the electronic execution and delivery to the Company of this Subscription Agreement. Subscriber shall deliver the Purchase Price, paid in Bitcoin, Ether or USDC (together, the "**Purchase Crypto Assets**"), to the Escrow Wallet. Confirmation of the delivery of the Purchase Price shall be provided to the Transfer Agent in accordance with the instructions set forth in the Subscriber Questionnaire. The Subscriber understands that the Company will not accept this Agreement until the full amount of the Purchase Price has been delivered to the Escrow Wallet.

1.5 If this Agreement is accepted by the Company, the Subscriber agrees to comply fully with the terms of the Subscriber Agreements. The Subscriber further agrees to execute any other necessary documents or instruments in connection with this subscription and the Subscriber's purchase of the shares of Common Stock.

1.6 Subscriber understands and acknowledges that the Purchase Price for the Shares will be held in the Escrow Wallet in the original form of the Purchase Crypto Assets pending acceptance of the subscription by the Company. No Purchase Crypto Asset payment will be converted to any other currency or form of payment while it is held in the Escrow Wallet.

1.7 In the event that (i) this Agreement is rejected in full or (ii) this Agreement is terminated in accordance with Section 16 following its acceptance (in full or in part), the Company will refund such subscription payments in the amount and form of payment that was made on the original date of payment to the Subscriber, without interest and without deduction, and all of the obligations of the Subscriber hereunder shall terminate. To the extent that this Agreement is rejected in part, the Company shall refund to the Subscriber any payment made by the Subscriber to the Company with respect to the rejected portion of this subscription without interest and without deduction, and all of the obligations of Subscriber hereunder shall remain in full force and effect except for those obligations with respect to the rejected portion of this subscription, which shall terminate. The Company will refund back to the Subscriber the exact amount of such specific Purchase Crypto Asset that was received from the Subscriber for the Subscriber's original payment of the Purchase Price (the "**Original Crypto Asset**"). The Company will not refund a Purchase Price paid in Purchase Crypto Assets with any Purchase Crypto Asset except the Original Crypto Asset. The Company will not refund a Purchase Price paid in Purchase Crypto Assets with U.S. dollars.

1.8 Upon acceptance of this Agreement by the Company and payment of the Purchase Price by the Subscriber and receipt of the Purchase Price by the escrow agent or the Escrow Wallet, as applicable, the Company agrees to instruct the Transfer Agent to deliver the Shares to the Subscriber at the closing as described in the Offering Circular, subject to the terms of this Agreement, and in all cases understanding that the Company has full discretion to accept or reject this Agreement at any time prior to closing.

2. **Subscriber's Review of Information and Subscription Decision.**

2.1 The Subscriber acknowledges and understands that it is solely the Subscriber's responsibility to read the Subscription Information and make a determination to subscribe to the shares of Common Stock. The Subscriber and/or the Subscriber's advisers, who are not affiliated with and not compensated directly or indirectly by any of the Exodus Parties, have such knowledge and experience in business and financial matters as will enable them to utilize the information which they have received in connection with the Company, its business to evaluate the merits and risks of a subscription, to make an informed decision and to protect Subscriber's own interests in connection with the Purchase.

2.2 The Subscriber is subscribing for and purchasing the Shares without being furnished any offering literature other than the Subscription Information, and is making this subscription decision solely in reliance upon the information contained in the Subscription Information and upon any investigation made by the Subscriber or Subscriber's advisers, but not on any recommendation to subscribe to the Common Stock by the Company. The Subscriber acknowledges that it is the Subscriber's responsibility to read the Subscription Information and that the Company has advised the Subscriber to print and retain a copy of such documents for the Subscriber's own records.

2.3 The Subscriber's subscription for shares of Common Stock is consistent with the purposes, objectives and cash flow requirements of the Subscriber.

2.4 The Subscriber understands that the Shares being purchased are a speculative purchase that involves a substantial degree of risk of loss of the Subscriber's entire purchase price in the Shares, and the Subscriber understands and is fully cognizant of the risk factors related to the purchase of the Shares. The Subscriber has received and has had the opportunity to review the Subscription Information including the risk factors set forth in the Offering Circular. Neither the Company nor anyone on its behalf has made any representations (whether written or oral) to the Subscriber (i) regarding the future value or utility of the Shares or (ii) that the past business performance and experience of the Exodus Parties will in any way predict the current or future value or utility of the Shares.

2.5 The Subscriber understands that any forecasts or predictions as to the Company's performance are based on estimates, assumptions and forecasts that the Company believes to be reasonable but that may prove to be materially incorrect, and no assurance is given that actual results will correspond with the results contemplated by the various forecasts.

2.6 At no time has it been expressly or implicitly represented, guaranteed or warranted to the Subscriber by the Company, any other Exodus Party, or any other person that:

2.6.1 a percentage of profit and/or amount or type of gain or other consideration will be realized as a result of this subscription; or

2.6.2 the past performance or experience of any other purchase sponsored by any Exodus Party in any way indicates the predictable or probable results of the ownership of the Shares or the overall venture.

2.7 The purchase of the Shares (i) does not provide Subscriber with rights of any form with respect to the Company or its revenues or assets, including, but not limited to, any voting, distribution, redemption, liquidation, proprietary (including all forms of intellectual property), or other financial or legal rights; (ii) is not a loan to Company; (iii) does not create any binding obligation enforceable against the Company with respect to the Shares following their delivery; and (iv) does not provide Subscriber with any ownership or other interest in Company.

2.8 The Company retains all current and future right, title and interest in all of the Company's intellectual property, including, without limitation, inventions, ideas, concepts, code, discoveries, processes, marks, methods, software, compositions, formulae, techniques, information and data, whether or not patentable, copyrightable or protectable in trademark, and any trademarks, copyright or patents based thereon. Subscriber may not use any of Company's intellectual property for any reason without Company's prior written consent.

2.9 The Subscriber represents and agrees that none of the Exodus Parties have recommended or suggested the acquisition of shares of Common Stock to the Subscriber.

2.10 The Subscriber understands that the Shares are subject to restrictions on transfer under U.S. state "blue sky" and/or federal securities laws. The Subscriber is acquiring the Shares solely for the Subscriber's own beneficial account, for investment purposes, and not with a view to, or for resale in connection with, any distribution of the shares of Common Stock. Subscriber understands that the Shares have not been registered under the Securities Act or the securities laws of any state and, as a result thereof, are subject to substantial restrictions on transfer.

3. **Subscriber's Representations Related to a Subscription for Shares of Common Stock.**

3.1 The Subscriber, if an entity, is, and shall at all times while it holds shares of Common Stock remain, duly organized, validly existing and in good standing under the laws of the state or other jurisdiction of the United States of America of its incorporation or organization, having full power and authority to own its properties and to carry on its business as conducted. The Subscriber, if a natural person, is eighteen years of age or older, competent to enter into a contractual obligation, and a citizen or resident of the United States of America. The principal place of business or principal residence of the Subscriber is as shown in the Subscriber Questionnaire.

3.2 The Subscriber has the requisite power and authority to deliver this Agreement, perform his, her or its obligations set forth in this Agreement, and consummate the transactions contemplated in this Agreement. The Subscriber has duly executed and delivered this Agreement and has obtained the necessary authorization to execute and deliver this Agreement and to perform his, her or its obligations in this Agreement and to consummate the transactions contemplated in this Agreement. This Agreement, assuming the due execution and delivery hereof by the Company, is a legal, valid and binding obligation of the Subscriber enforceable against the Subscriber in accordance with its terms.

3.3 The Subscriber is subscribing for and purchasing the Shares solely for the Subscriber's own account, and not with a view toward or in connection with resale, distribution (other than to its shareholders or members, if any), subdivision or fractionalization thereof. The Subscriber has no agreement or other arrangement, formal or informal, with any person or entity to sell, transfer or pledge any part of the shares of Common Stock, or which would guarantee the Subscriber any profit, or insure against any loss with respect to the Common Stock, and the Subscriber has no plans to enter into any such agreement or arrangement.

3.4 The Subscriber represents and warrants that the execution and delivery of this Agreement, the consummation of the transactions contemplated in this Agreement and the performance of the obligations outlined in this Agreement will not conflict with or result in any violation of or default under any provision of any other agreement or instrument to which the Subscriber is a party or any license, permit, franchise, judgment, order, writ or decree, or any statute, rule or regulation, applicable to the Subscriber. The Subscriber confirms that the consummation of the transactions envisioned in this Agreement, including, but not limited to, the Subscriber's Purchase, will not violate any foreign law and that such transactions are lawful in the Subscriber's country of citizenship and residence.

3.5 The Subscriber is able to bear the economic risk of this purchase and, without limiting the generality of the foregoing, is able to hold the Shares for an indefinite period of time. The Subscriber has adequate means to provide for the Subscriber's current needs and personal contingencies and has a sufficient net worth to sustain the loss of the Subscriber's entire subscription in the Common Stock.

3.6 Neither (i) the Subscriber, (ii) any of its directors, executive officers, other officers that may serve as director or officer of any company in which it invests, general partners or managing partners, nor (iii) any beneficial owner of the Company's voting equity securities (in accordance with Rule 262 of the Securities Act) held by the Subscriber is subject to any Disqualifying Event³ except for Disqualifying Events covered by Rule 262(b)(2) or (3) or Rule 262(c) under the Securities Act and disclosed reasonably in advance of the Purchase in writing in reasonable detail to the Company.

³ "**Disqualifying Event**" means the following:

(1) within the past ten years, conviction of a felony or misdemeanor (i) in connection with the purchase or sale of any security; (ii) involving the making of any false filing with the SEC or (iii) arising out of the conduct of the business of being an underwriter, broker, dealer, municipal securities dealer, investment advisor or paid solicitor of purchasers of securities;

(2) was the subject to an order, judgment or decree of any court of competent jurisdiction, entered within the prior five years, that restrains or enjoins the Subscriber from engaging or continuing to engage in any conduct or practice (i) in connection with the purchase or sale of any security; (ii) involving the making of any false filings with the SEC; or (iii) arising out of the conduct of the business of being an underwriter, broker, dealer, municipal securities dealer, investment advisor or paid solicitor of purchasers of securities;

(1) within the past ten years, conviction of a felony or misdemeanor (i) in connection with the purchase or sale of any security; (ii) involving the making of any false filing with the SEC or (iii) arising out of the conduct of the business of being an underwriter, broker, dealer, municipal securities dealer, investment advisor or paid solicitor of purchasers of securities;

(3) the subject of a final order of a state securities commission (or an agency or officer of a state performing like functions); a state authority that supervises or examines banks, savings associations, or credit unions; a state insurance commission (or an agency or officer of a state performing like functions); an appropriate federal banking agency; the U.S. Commodity Futures Trading Commission; or the National Credit Union Administration that (i) bars the Subscriber from (a) association with an entity regulated by such commission, authority, agency, or officer, (b) engaging in the business of securities, insurance or banking or (c) engaging in savings association or credit union activities; or (ii) constitutes a final order based on a violation of any law or regulation that prohibits fraudulent, manipulative, or deceptive conduct entered within the past ten years;

(4) subject to an order of the SEC entered pursuant to section 15(b) or 15B(c) of the Securities Exchange Act of 1934 or section 203(e) or (f) of the Investment Advisers Act of 1940 that (i) suspends the Subscriber's registration as a broker, dealer, municipal securities dealer or investment adviser; (ii) places limitations on the Subscriber's activities, functions or operations of, or imposes civil money penalties on the Subscriber; or (iii) bars the Subscriber from being associated with any entity or from participating in the offering of any penny stock;

(5) subject to any order of SEC entered within the prior five years that orders the Subscriber to cease and desist from committing or causing a violation or future violation of (i) any scienter-based anti-fraud provision of the federal securities laws or (ii) Section 5 of the Securities Act;

(6) suspension or expulsion from membership in, or suspension or bar from association with a member of, a registered national securities exchange or a registered national or affiliated securities association for any act or omission to act constituting conduct inconsistent with just and equitable principles of trade;

(7) having filed (as a registrant or issuer), or named as an underwriter in any registration statement or Regulation A offering statement filed with the SEC that, within the past five years, was the subject of a refusal order, stop order, or order suspending the Regulation A exemption, or is currently the subject of an investigation or proceeding to determine whether a stop order or suspension order should be issued; and

(8) was subject to a United States Postal Services ("USPS") false representation order entered within the previous five years, or currently is subject to a temporary restraining order or preliminary injunction with respect to conduct alleged by the USPS to constitute a scheme or device for obtaining money or property through the mail by means of false representations.

(2) was the subject to an order, judgment or decree of any court of competent jurisdiction, entered within the prior five years, that restrains or enjoins the Subscriber from engaging or continuing to engage in any conduct or practice (i) in connection with the purchase or sale of any security; (ii) involving the making of any false filings with the SEC; or (iii) arising out of the conduct of the business of being an underwriter, broker, dealer, municipal securities dealer, investment advisor or paid solicitor of purchasers of securities;

3.7 The Subscriber understands that no state or federal authority has scrutinized this Agreement or the Shares offered pursuant hereto, has made any finding or determination relating to the fairness for purchase of the Common Stock, or has recommended or endorsed the Common Stock, and that the Common Stock have not been registered under the Securities Act or any state securities laws, in reliance upon exemptions from registration thereunder.

3.8 Subscriber represents and warrants that Subscriber: (a) (1) is not located or domiciled; (2) does not have a place of business; or (3) is not conducting business (any of which would make Subscriber a "**Resident**") in a jurisdiction in which access to or use of the Common Stock is prohibited by applicable law, decree, regulation, treaty, or administrative act, (2) a Resident of, citizen of or located in, a jurisdiction that is subject to comprehensive U.S. or other sovereign country comprehensive sanctions or embargoes, including Iran, Syria, Cuba, North Korea, and the Crimea region of the Ukraine, or (3) is not listed on or covered by, or employed by or associated with an entity, listed on or covered by any applicable U.S. sanctioned persons lists, including the U.S. Department of Commerce's List of Denied Persons or Entity List, the U.S. Department of Treasury's Specially Designated Nationals or Blocked Persons List, and the U.S. Department of State's Debarred Parties List. Subscriber agrees that if Subscriber's country of residence, nationality, citizenship, or other circumstances change such that the above representations are no longer accurate, Subscriber will immediately cease using the Common Stock and notify the Company in writing of the changes. Subscriber further represents and warrants that if Subscriber is purchasing the right to receive Common Stock on behalf of a legal entity: (1) such legal entity is duly organized and validly existing under the applicable laws of the jurisdiction of its organization, (2) Subscriber is duly authorized by such legal entity to act on its behalf, and (3) the legal entity meets all of the above criteria set forth above in this section.

(1) the subject of a final order of a state securities commission (or an agency or officer of a state performing like functions); a state authority that supervises or examines banks, savings associations, or credit unions; a state insurance commission (or an agency or officer of a state performing like functions); an appropriate federal banking agency; the U.S. Commodity Futures Trading Commission; or the National Credit Union Administration that (i) bars the Subscriber from (a) association with an entity regulated by such commission, authority, agency, or officer, (b) engaging in the business of securities, insurance or banking or (c) engaging in savings association or credit union activities; or (ii) constitutes a final order based on a violation of any law or regulation that prohibits fraudulent, manipulative, or deceptive conduct entered within the past ten years;

(2) subject to an order of the SEC entered pursuant to Sections 15(b) or 15B(c) of the Securities Exchange Act of 1934 or Section 203(e) or (f) of the Investment Advisers Act of 1940 that (i) suspends the Subscriber's registration as a broker, dealer, municipal securities dealer or investment adviser; (ii) places limitations on the Subscriber's activities, functions or operations of, or imposes civil money penalties on the Subscriber; or (iii) bars the Subscriber from being associated with any entity or from participating in the offering of any penny stock;

(3) subject to any order of SEC entered within the prior five years that orders the Subscriber to cease and desist from committing or causing a violation or future violation of (i) any scienter-based anti-fraud provision of the federal securities laws or (ii) Section 5 of the Securities Act;

(4) suspension or expulsion from membership in, or suspension or bar from association with a member of, a registered national securities exchange or a registered national or affiliated securities association for any act or omission to act constituting conduct inconsistent with just and equitable principles of trade;

(5) having filed (as a registrant or issuer), or named as an underwriter in any registration statement or Regulation A offering statement filed with the SEC that, within the past five years, was the subject of a refusal order, stop order, or order suspending the Regulation A exemption, or is currently the subject of an investigation or proceeding to determine whether a stop order or suspension order should be issued; and

(6) was subject to a United States Postal Services ("USPS") false representation order entered within the previous five years, or currently is subject to a temporary restraining order or preliminary injunction with respect to conduct alleged by the USPS to constitute a scheme or device for obtaining money or property through the mail by means of false representations.

3.9 The Subscriber hereby represents that he, she or it is: (i) a United States citizen or resident or a corporation, partnership, limited liability company, trust, or equivalent legal entity organized under the laws of any state of the United States; and (ii) is either (1) an "accredited investor," as that term is defined under Regulation D under the Securities Act, or (2) is a "qualified purchaser," as that term is defined under Regulation A under the Securities Act.

4. **Information Provided by Subscriber.**

4.1 The information that the Subscriber has furnished in the Investor Questionnaire, including (without limitation) the information furnished by the Subscriber to the Company regarding whether Subscriber qualifies as (i) an "accredited investor" as that term is defined in Rule 501 under Regulation D under the Securities Act and/or (ii) a "qualified purchaser" as that term is defined in Rule 256 under Regulation A under the Securities Act, is correct and complete as of the date of this Agreement and will be correct and complete on the date, if any, that the Company accepts this Agreement. Further, the Subscriber shall immediately notify the Company of any change in any statement made in this Agreement prior to the Subscriber's receipt of the Company's acceptance of this Agreement, including, without limitation, Subscriber's status as an "accredited investor" and/or a "qualified purchaser." The representations and warranties made by the Subscriber may be fully relied upon by the Company, and any other Exodus Party, and by any investigating party relying on them. The Subscriber acknowledges and agrees that the Subscriber shall be liable for any loss, liability, claim, damage and expense whatsoever (including all expenses incurred in investigating, preparing or defending against any claim whatsoever) arising out of or based upon any inaccuracy in the representations and warranties in the information provided by the Subscriber.

4.2 The Subscriber confirms that all information and documentation provided to the Company, including but not limited to all information regarding the Subscriber's identity and source of funds to be used to purchase shares of Common Stock, is true, correct and complete. The Subscriber is currently a bona fide resident of the state or jurisdiction set forth in the current address provided to the Company. The Subscriber has no present intention of becoming a resident of any other state or jurisdiction.

4.3 The representations, warranties, agreement, undertakings and acknowledgments made by the Subscriber in this Agreement will be relied upon by the Exodus Parties and counsel to the Company in determining, among other things, whether to allow the Subscriber to purchase shares of Common Stock. The representations, warranties, agreements, undertakings and acknowledgments made by the Subscriber in this Agreement shall survive the Subscriber's purchase of Common Stock. The Subscriber agrees to notify the Company immediately if any of the Subscriber's representations, warranties and covenants contained in this Agreement become untrue or incomplete in any respect.

4.4 The Exodus Parties may rely conclusively upon and shall incur no liability in respect of any action taken upon any notice, consent, request, instructions or other instrument believed in good faith to be genuine or to be signed by properly authorized persons of the Subscriber.

5. **Rights to Use Subscriber Information.**

5.1 The Subscriber agrees and consents that the Exodus Parties and any administrator appointed from time to time with respect to the Company (the "Administrator") may obtain, collect, hold, use, disclose, transfer, and otherwise process the Subscriber's data, including but not limited to the contents of the Subscription Agreements:

5.1.1 as the Exodus Parties or the Administrator reasonably deem necessary or appropriate to facilitate the acceptance, management and administration of the Subscriber's subscription for Common Stock, on an ongoing basis;

5.1.2 to provide notice of, and/or to seek consent to uses or disclosures of such data for specific purposes;

5.1.3 for any purposes where the Subscriber has given consent to do so;

5.1.4 for internal analysis and research purposes, including statistical analysis and market research, whereby the products of such analysis or research are not disclosed outside of the Exodus Parties or the Administrator on a basis in which Subscriber is identifiable without the Subscriber's consent;

5.1.5 as the Exodus Parties or the Administrator reasonably deem necessary or appropriate to comply with legal process, court orders, or other legal, regulatory, or self-regulatory requirements, requests, or investigations applicable to the Exodus Parties, the Administrator or the Subscriber, including, but not limited to, in connection with anti-money laundering and similar laws, or to establish the availability under any applicable law of an exemption from registration of Common Stock or to establish compliance with applicable law generally by the Exodus Parties;

5.1.6 for disclosure or transfer to third parties, including the Subscriber's financial adviser, regulatory bodies, auditors, counsel, advisors, or technology providers to any of the Exodus Parties or the Administrator, as reasonably necessary for the purposes described in this Section 5.1; and

5.1.7 for any other purposes described in the Privacy Notice or the Subscriber Agreements.

5.2 The Subscriber agrees and consents to disclosure by the Exodus Parties or the Administrator to relevant third parties of information pertaining to the Subscriber in respect of disclosure and compliance policies or information requests related thereto.

5.3 The Subscriber hereby authorizes the Exodus Parties, any agents of the Exodus Parties, and the Administrator to disclose the Subscriber's nonpublic personal information to comply with regulatory and contractual requirements applicable to the Exodus Parties. Any such disclosure shall, to the fullest extent permitted by law, be permitted notwithstanding any privacy policy or similar restrictions regarding the disclosure of the Subscriber's nonpublic personal information.

6. **Relationship Between Subscriber and the Exodus Parties.**

6.1 Subscriber acknowledges and agrees that the purchase and sale of the Shares pursuant to this Agreement is an arms-length transaction between the Subscriber and the Company. In connection with the purchase and sale of the Common Stock, none of the Company nor any other Exodus Party is acting as the Subscriber's agent or fiduciary. The Exodus Parties assume no advisory or fiduciary responsibility in connection with the Common Stock. The Exodus Parties have not provided Subscriber with any legal, accounting, regulatory or tax advice with respect to the Common Stock, and Subscriber has consulted its own respective legal, accounting, regulatory and tax advisers to the extent Subscriber deems appropriate.

7. **Regulatory Limitations and Requirements.**

7.1 The Subscriber understands, acknowledges and agrees that the sale of Common Stock contemplated by this Agreement is not fully registered with the SEC because it is being made in reliance on Regulation A under the Securities Act, which exempts the Company from certain reporting and other requirements related to the Company, the Common Stock and their sale, and that the Company is not registered or licensed with any federal or state regulator as an investment adviser, broker-dealer, money services business, money transmitter, or virtual currency business, or under the Investment Advisers Act of 1940, as amended (the "**Advisers Act**") or the Investment Company Act of 1940 ("**1940 Act**"). As a result, the Subscriber will not be afforded the full set of protections provided to the clients and customers of such entities under the Securities Act, the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), the Advisers Act or the 1940 Act, or any money services business, money transmitter, or virtual currency laws.

7.2 The Subscriber understands and agrees that if, at any time, it is determined that the Company is not in compliance with the Securities Act, the Exchange Act, the Advisers Act, or the 1940 Act, or any laws or regulations applicable to money transmitters, money services businesses, or virtual currency businesses, or is otherwise not in compliance with applicable law, the Company may take any corrective action it determines is appropriate, in its sole and absolute discretion.

7.3 The Subscriber understands that the Common Stock are not legal tender, are not backed by the government, and accounts and value balances are not subject to Federal Deposit Insurance Corporation or Securities Purchaser Protection Corporation protections. The Subscriber understands that he or she may be barred from purchasing the Common Stock if the Subscriber is (i) an employee benefit plan that is subject to the fiduciary responsibility standards and prohibited transaction restrictions of part 4 of Title I of U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), (ii) any plan to which Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") applies, (iii) a private investment fund or other entity whose assets are treated as "plan assets" for purposes of ERISA and Section 4975 of the Code or (iv) an insurance company, whose general account assets are treated as "plan assets" for purposes of ERISA and Section 4975 of the Code. The Subscriber has notified the Company if it falls into (i) — (iv) of this paragraph.

7.4 THE SUBSCRIBER REPRESENTS AND WARRANTS THAT IT WILL REVIEW AND CONFIRM THE INFORMATION PROVIDED ON AN INTERNAL REVENUE SERVICE (THE "**IRS**") FORM W-9, WHICH WILL BE GENERATED AND PROVIDED TO THE COMPANY VIA THE SITE. THE SUBSCRIBER CERTIFIES THAT THE FORM W-9 INFORMATION CONTAINED IN THE EXECUTED COPY (OR COPIES) OF IRS FORM W-9 (AND ANY ACCOMPANYING REQUIRED DOCUMENTATION), AS APPLICABLE, WHEN SUBMITTED TO THE COMPANY WILL BE TRUE, CORRECT AND COMPLETE. THE SUBSCRIBER SHALL (I) PROMPTLY INFORM THE COMPANY OF ANY CHANGE IN SUCH INFORMATION, AND (II) FURNISH TO THE COMPANY A NEW PROPERLY COMPLETED AND EXECUTED FORM, CERTIFICATE OR ATTACHMENT, AS APPLICABLE, AS MAY BE REQUIRED UNDER THE INTERNAL REVENUE SERVICE INSTRUCTIONS TO SUCH FORM W-9, THE CODE OR ANY APPLICABLE TREASURY REGULATIONS OR AS MAY BE REQUESTED FROM TIME TO TIME BY THE COMPANY.

7.5 It is the intent of the Exodus Parties to comply with all applicable federal, state and local laws designed to combat money laundering and similar illegal activities. Subscriber hereby represents, covenants, and agrees that, to the best of Subscriber's knowledge based on reasonable investigation:

7.5.1 None of the Subscriber's funds tendered for the Purchase Price (whether payable in cash or otherwise) shall be derived from money laundering or similar activities deemed illegal under federal laws and regulations.

7.5.2 To the extent within the Subscriber's control, none of the Subscriber's funds tendered for the Purchase Price (whether payable in cash or otherwise) will cause any Exodus Party to be in violation of federal anti-money laundering laws or regulations.

7.5.3 When requested by the Company, the Subscriber will provide any and all additional information, and the Subscriber understands and agrees that the Company or any other Exodus Party may release confidential information about the Subscriber and, if applicable, any underlying beneficial owner or Related Person⁴ to U.S. regulators and law enforcement authorities, deemed reasonably necessary to ensure compliance with all applicable laws and regulations concerning money laundering and similar activities. The Company reserves the right to request any information as is necessary to verify the identity of the Subscriber and the source of any payment to the Company. In the event of delay or failure by the Subscriber to produce any information required for verification purposes, a subscription by the Subscriber may be refused.

⁴ "**Related Person**" shall mean, with respect to any entity, any interest holder, director, senior officer, trustee, beneficiary or grantor of such entity; provided that in the case of an entity that is a publicly traded company or a tax qualified pension or retirement plan in which at least 100 employees participate that is maintained by an employer that is organized in the U.S. or is a U.S. government entity, the term "**Related Person**" shall exclude any interest holder holding less than 5% of any class of securities of such publicly traded company and beneficiaries of such plan.

7.5.4 Neither the Subscriber, nor any person or entity controlled by, controlling or under common control with the Subscriber, nor any of the Subscriber's beneficial owners, nor any person for whom the Subscriber is acting as agent or nominee in connection with this subscription, nor, in the case of a Subscriber which is an entity, any Related Person is:

- a. Prohibited Subscriber;⁵
- b. a Senior Foreign Political Figure,⁶ any member of a Senior Foreign Political Figure's "immediate family," which includes the figure's parents, siblings, spouse, children and in-laws, or any Close Associate of a Senior Foreign Political Figure,⁷ or a person or entity resident in, or organized or chartered under, the laws of a Non-Cooperative Jurisdiction;⁸ or
- c. a person or entity resident in, or organized or chartered under, the laws of a jurisdiction that has been designated by the U.S. Secretary of the Treasury under Section 311 of the Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 as warranting special measures due to money laundering concerns.

⁵ "**Prohibited Subscriber**" shall mean a person or entity whose name appears on (i) the List of Specially Designated Nationals and Blocked Persons maintained by the U.S. Office of Foreign Assets Control; (ii) other lists of prohibited persons and entities as may be mandated by applicable law or regulation; or (iii) such other lists of prohibited persons and entities as may be provided to any Exodus Party in connection therewith.

⁶ "**Senior Foreign Political Figure**" shall mean a senior official in the executive, legislative, administrative, military or judicial branches of a foreign government (whether elected or not), a senior official of a major foreign political party, or a senior executive of a foreign government-owned corporation. In addition, a Senior Foreign Political Figure includes any corporation, business or other entity that has been formed by, or for the benefit of, a Senior Foreign Political Figure.

⁷ "**Close Associate of a Senior Foreign Political Figure**" shall mean a person who is widely and publicly known internationally to maintain an unusually close relationship with the Senior Foreign Political Figure, and includes a person who is in a position to conduct substantial domestic and international financial transactions on behalf of the Senior Foreign Political Figure.

⁸ "**Non-Cooperative Jurisdiction**" shall mean any foreign country that has been designated as non-cooperative with international anti-money laundering principles or procedures by an intergovernmental group or organization, such as the Financial Action Task Force, of which the U.S. is a member and with which designation the U.S. representative to the group or organization continues to concur.

7.5.5 The Subscriber hereby agrees to immediately notify the Company if the Subscriber knows, or has reason to suspect, that any of the representations in this Section 7.6 have become incorrect or if there is any change in the information affecting these representations and covenants.

7.5.6 The Subscriber agrees that, if at any time it is discovered that any of the foregoing anti-money laundering representations are incorrect, or if otherwise required by applicable laws or regulations, the Company may undertake appropriate actions, and the Subscriber agrees to cooperate with such actions, to ensure compliance with such laws or regulations.

7.5.7 The Subscriber acknowledges and agrees that the Company, in complying with anti-money laundering statutes, regulations and goals, may file any information with governmental and law enforcement agencies to identify transactions and activities that the Company or any other Exodus Party or their agents reasonably determines to be suspicious, or as otherwise required by law.

7.6 The Subscriber understands that no Exodus Party is registered with the SEC or with the securities commission of any state or other jurisdiction as a broker-dealer under the Exchange Act. The Subscriber will not be afforded the full set of protections provided under the Exchange Act or comparable state law.

7.7 The Subscriber understands and agrees that if the Company were deemed to be a money transmitter or money services business, it would be subject to significant additional regulation that could lead to significant changes with respect to how the Common Stock are structured, how they are purchased and sold, and other issues, and would greatly increase the Company's costs in creating and facilitating transactions in the Common Stock. Further, a regulator could take action against the Company and Exodus Parties if it views the Common Stock as a violation of existing law. Any of these outcomes would negatively affect the value of the Common Stock and/or could cause the Company to cease operations.

8. **Tax Requirements.**

8.1 The Subscriber certifies that the Subscriber has completed and submitted any required waiver of local privacy laws that could otherwise prevent disclosure of information to a Exodus Party, the IRS or any other governmental authority for purposes of Chapter 3, Chapter 4 or Chapter 61 of the Internal Revenue Code (the "**Code**") (including without limitation in connection with FATCA, as defined below) or any intergovernmental agreement entered into in connection with the implementation of the FATCA (an "**IGA**"), and any other documentation required to establish an exemption from, or reduction in, withholding tax or to permit the Company to comply with information reporting requirements pursuant to Chapter 3, Chapter 4 or Chapter 61 of the Code (including, without limitation, in connection with FATCA or any IGA).

8.2 The Subscriber further certifies that the Subscriber will provide to the Company prior to the Closing an IRS Form W-9, appropriate IRS Form W-8 or other applicable IRS Forms and any additional documentation required by the Company for purposes of satisfying the Company's obligations under the Code, and in any event the Company may require such documentation prior to the delivery of Common Stock to the Subscriber.

8.3 The Subscriber will (a) provide, upon request, prompt written notice to the Company, and in any event within 30 days of such request, of any change in the Subscriber's U.S. tax or withholding status, and (b) execute properly and provide to the Company, within 30 days of written request by the Company (or any other Exodus Party), any other tax documentation or information that may be reasonably required by the Company (or another Exodus Party) in connection with the operation of the Company to comply with applicable laws and regulations (including, but not limited to, the name, address and taxpayer identification number of any "substantial U.S. owner" (as defined in the Code) of the Subscriber or any other document or information requested by the Company (or another Exodus Party) in connection with the Company complying with FATCA and/or any IGA or as required to reduce or eliminate any withholding tax directly or indirectly imposed on or collected by or with respect to the Company), and (c) execute and properly provide to the Company, within 30 days of written request by the Company (or another Exodus Party), any tax documentation or information that may be requested by the Company (or any Exodus Party).

8.4 The Subscriber further consents to the reporting of the information provided pursuant to this Section 8, in addition to certain other information, including, but not limited to, the value of the Subscriber's purchase of Common Stock to the IRS or any other governmental authority if the Company is required to do so under FATCA.

8.5 As used in this Agreement, "**FATCA**" means one or more of the following, as the context requires: (i) Sections 1471 through 1474 of the Code and any associated legislation, regulations or guidance, or similar legislation, regulations or guidance enacted in any other jurisdiction which seeks to implement equivalent tax reporting, financial or tax information sharing, and/or withholding tax regimes, (ii) any intergovernmental agreement, treaty or any other arrangement between the United States and an applicable foreign country, entered into to facilitate, implement, comply with or supplement the legislation, regulations or guidance described in the foregoing clause (i), and (iii) any legislation, regulations or guidance implemented in a jurisdiction to give effect to the foregoing clauses (i) or (ii).

8.6 By executing this Agreement, the Subscriber understands and acknowledges that (i) the Company (or any other Exodus Party) may be required to provide the identities of the Subscriber's direct and indirect beneficial owners to a governmental entity, and (ii) the Subscriber hereby waives any provision of law and/or regulation of any jurisdiction that would, absent a waiver, prevent the Company from compliance with the foregoing and otherwise with applicable law as described in this Section 8.

8.7 The Subscriber confirms that the Subscriber has been advised to consult with the Subscriber's independent attorney regarding legal matters concerning the Company and to consult with independent tax advisers regarding the tax consequences of purchasing Common Stock. The Subscriber acknowledges that Subscriber has received a copy of the Offering Circular including, but not limited to, U.S. Federal Income Tax Considerations, regarding certain tax consequences of purchasing Common Stock, subject to adoption of new laws or regulations or amendments to existing laws or regulations. The Subscriber acknowledges and agrees that none of the Exodus Parties are providing any warranty or assurance regarding the tax consequences to the Subscriber by reason of the Purchase.

9. **Other Risks.**

9.1 The Subscriber (i) is able to bear the economic cost of holding the Common Stock for an indefinite period of time; (ii) has adequate means of providing for his, her, or its current needs and possible personal contingencies even in the event that the Common Stock lose all of their value; and (iii) has no need for liquidity of the Common Stock. The Subscriber's purchase of the Common Stock is consistent with the objectives and cash flow requirements of the Subscriber and will not adversely affect the Subscriber's overall need for diversification and liquidity.

9.2 The Subscriber is solely responsible for reviewing, understanding and considering the risks above and any additional risks, including without limitation those described in the Offering Circular. The Company's operations, financial condition, and results of operations could be materially and adversely affected by any one or more of those risk factors, as could the underlying value of each share of Common Stock purchased by the Subscriber, which may lead to the Common Stock losing all value.

10. **Transfer and Storage of Personal Data.**

10.1 The Subscriber understands and agrees that in connection with the services provided by the Company, the Subscriber's personal data may be transferred and/or stored or processed in various jurisdictions in which the Exodus Parties, or third parties acting on their behalf, have a presence or otherwise operate, including in or to jurisdictions that may not offer a level of personal data protection equivalent to the Subscriber's country of residence.

10.2 The Subscriber further understands and agrees that, although the Exodus Parties will use commercially reasonable efforts to maintain the confidentiality of the information provided in the Subscriber Questionnaire, the Exodus Parties may disclose or transfer the Subscriber Agreements, and disclose or transfer other data of Subscriber, as described in Section 5 or as otherwise required by law. Any disclosure, use, storage or transfer of information for these purposes shall not be treated as a breach of any restriction upon the disclosure, use, storage or transfer of information imposed on any person by law or otherwise.

11. **Consent to Electronic Delivery of Notices, Disclosures and Forms.** The Subscriber understands that, to the fullest extent permitted by law (including, to the extent applicable, Section 232 of the DGCL), any notices, disclosures, forms, privacy statements, reports or other communications regarding the Company or the Subscriber's purchase of the Shares (including annual and other updates and tax documents), as well as any notice given by the Company under the DGCL or the Company's certificate of incorporation or bylaws may be delivered by (i) facsimile telecommunication to the facsimile number provided to the Company by the Subscriber (or to any other facsimile number for the Subscriber or other security holder in the Company's records), (ii) electronic mail to the electronic mail address provided to the Company by the Subscriber (or to any other electronic mail address for the Subscriber or other security holder in the Company's records), (iii) posting on an electronic network together with separate notice to the Subscriber or other security holder of such specific posting or (iv) any other form of electronic transmission (as defined in the DGCL) directed to the Subscriber or other security holder. This consent may be revoked by a Subscriber or other security holder by written notice to the Company and may be deemed revoked in the circumstances specified in Section 232 of the DGCL. The Subscriber hereby consents to delivery by electronic transmission as described in the preceding sentence. In so consenting, the Subscriber acknowledges that electronic transmissions are not secure and may contain computer viruses or other defects, may not be accurately replicated on other systems or may be intercepted, deleted or interfered with, with or without the knowledge of the sender or the intended recipient. The Subscriber also acknowledges that electronic transmissions from the Exodus Parties may be accessed by recipients other than the Subscriber and may be interfered with, may contain computer viruses or other defects and may not be successfully replicated on other systems. No Exodus Party gives any warranties in relation to these matters.

12. **Bankruptcy.** In the event that the Subscriber files or enters bankruptcy, insolvency or other similar proceeding, Subscriber agrees to use the best efforts possible to avoid any Exodus Parties being named as a party or otherwise involved in the bankruptcy proceeding. Furthermore, this Agreement should be interpreted so as to prevent, to the maximum extent permitted by applicable law, any bankruptcy trustee, receiver or debtor-in-possession from asserting, requiring or seeking that (i) Subscriber be allowed to return the Common Stock to the Company for a refund or (ii) the Company being mandated or ordered to redeem or withdraw Common Stock held or owned by Subscriber.

13. **Limitations on Damages.**

13.1 IN NO EVENT SHALL THE COMPANY OR ANY OTHER EXODUS PARTY BE LIABLE TO THE SUBSCRIBER FOR ANY LOST PROFITS OR SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, EVEN IF INFORMED OF THE POSSIBILITY OF SUCH DAMAGES. THE FOREGOING SHALL BE INTERPRETED AND HAVE EFFECT TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, RULE OR REGULATION.

13.2 IN NO EVENT WILL THE AGGREGATE LIABILITY OF THE COMPANY AND THE EXODUS PARTIES (JOINTLY), WHETHER IN CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE, WHETHER ACTIVE, PASSIVE OR IMPUTED), OR OTHER THEORY, ARISING OUT OF OR RELATING TO THESE TERMS EXCEED THE AMOUNT SUBSCRIBER PAYS TO THE COMPANY FOR THE COMMON STOCK.

14. **Arbitration.**

14.1 PLEASE READ SECTIONS 14.1 THROUGH 14.9 CAREFULLY BECAUSE THEY CONTAIN ADDITIONAL PROVISIONS APPLICABLE ONLY TO INDIVIDUALS LOCATED, RESIDENT OR DOMICILED IN THE UNITED STATES. IF THE SUBSCRIBER IS LOCATED, RESIDENT OR DOMICILED IN THE UNITED STATES, THIS SECTION REQUIRES THE SUBSCRIBER TO ARBITRATE CERTAIN DISPUTES AND CLAIMS WITH THE COMPANY AND LIMITS THE MANNER IN WHICH A SUBSCRIBER CAN SEEK RELIEF FROM THE COMPANY.

14.2 Either party may, at its sole election, require that the sole and exclusive forum and remedy for resolution of a Claim be final and binding arbitration pursuant to this Section 14 (this "**Arbitration Provision**"). The arbitration shall be conducted in New York, New York. As used in this Arbitration Provision, "**Claim**" shall include any past, present, or future claim, dispute, or controversy involving Subscriber (or persons claiming through or connected with Subscriber), on the one hand, and any of the Exodus Parties (or persons claiming through or connected with the Exodus Parties), on the other hand, relating to or arising out of this Agreement, any Common Stock, the Site, and/or the activities or relationships that involve, lead to, or result from any of the foregoing, including (except to the extent provided otherwise in the last sentence of Section 14.5 below) the validity or enforceability of this Arbitration Provision, any part of this Arbitration Provision, or the entire Agreement; *provided, however*, that "Claims" shall not be deemed to include any claims or disputes arising out of alleged breaches or violations of the federal and state securities laws of the United States. Claims are subject to arbitration regardless of whether they arise from contract; tort (intentional or otherwise); a constitution, statute, common law, or principles of equity; or otherwise. Claims include (without limitation) matters arising as initial claims, counter-claims, cross-claims, third-party claims, or otherwise. The scope of this Arbitration Provision is to be given the broadest possible interpretation that is enforceable.

14.3 The party initiating arbitration shall do so with the American Arbitration Association or the Judicial Arbitration and Mediation Services. The arbitration shall be conducted according to, and the location of the arbitration shall be determined in accordance with, the rules and policies of the administrator selected, except to the extent the rules conflict with this Arbitration Provision or any countervailing law. In the case of a conflict between the rules and policies of the administrator and this Arbitration Provision, this Arbitration Provision shall control, subject to countervailing law, unless all parties to the arbitration consent to have the rules and policies of the administrator apply.

14.4 If an Exodus Party elects arbitration, that Exodus Party shall pay the administrator's filing costs and administrative fees (other than hearing fees). If Subscriber elects arbitration, filing costs and administrative fees (other than hearing fees) shall be paid in accordance with the rules of the administrator selected, or in accordance with countervailing law if contrary to the administrator's rules. The Exodus Party shall pay the administrator's hearing fees for one full day of arbitration hearings. Fees for hearings that exceed one day will be paid by the party requesting the hearing, unless the administrator's rules or applicable law require otherwise, or Subscriber requests that a Exodus Party pay them and that Exodus Party agrees to do so. Each party shall bear the expense of its own attorney's fees, except as otherwise provided by law. If a statute gives Subscriber the right to recover any of these fees, these statutory rights shall apply in the arbitration notwithstanding anything to the contrary in this Agreement.

14.5 Within 30 days of a final award by the arbitrator, a party may appeal the award for reconsideration by a three-arbitrator panel selected according to the rules of the arbitrator administrator. In the event of such an appeal, an opposing party may cross-appeal within 30 days after notice of the appeal. The panel will reconsider de novo all aspects of the initial award that are appealed. Costs and conduct of any appeal shall be governed by this Arbitration Provision and the administrator's rules, in the same way as the initial arbitration proceeding. Any award by the individual arbitrator that is not subject to appeal, and any panel award on appeal, shall be final and binding, except for any appeal right under the Federal Arbitration Act (the "FAA"), and may be entered as a judgment in any court of competent jurisdiction.

14.6 The Exodus Parties agree not to invoke their right to arbitrate an individual Claim that Subscriber may bring in Small Claims Court or an equivalent court, if any, so long as the Claim is pending only in that court. EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, NO ARBITRATION SHALL PROCEED ON A CLASS, REPRESENTATIVE, OR COLLECTIVE BASIS (INCLUDING AS PRIVATE ATTORNEY GENERAL ON BEHALF OF OTHERS), EVEN IF THE CLAIM OR CLAIMS THAT ARE THE SUBJECT OF THE ARBITRATION HAD PREVIOUSLY BEEN ASSERTED (OR COULD HAVE BEEN ASSERTED) IN A COURT AS CLASS REPRESENTATIVE, OR COLLECTIVE ACTIONS IN A COURT.

14.7 Unless otherwise provided in this Agreement or consented to in writing by all parties to the arbitration, no party to the arbitration may join, consolidate, or otherwise bring claims for or on behalf of two or more individuals or unrelated corporate entities in the same arbitration unless those persons are parties to a single transaction. Unless consented to in writing by all parties to the arbitration, an award in arbitration shall determine the rights and obligations of the named parties only, and only with respect to the claims in arbitration, and shall not (i) determine the rights, obligations, or interests of anyone other than a named party, or resolve any Claim of anyone other than a named party, or (ii) make an award for the benefit of, or against, anyone other than a named party. No administrator or arbitrator shall have the power or authority to waive, modify, or fail to enforce this Section 14.6 and any attempt to do so, whether by rule, policy, arbitration decision or otherwise, shall be invalid and unenforceable. Any challenge to the validity of this Section 14.6 shall be determined exclusively by a court and not by the administrator or any arbitrator.

14.8 This Arbitration Provision is made pursuant to a transaction involving interstate commerce and shall be governed by and enforceable under the FAA. The arbitrator will apply substantive law consistent with the FAA and applicable statutes of limitations. The arbitrator may award damages or other types of relief permitted by applicable substantive law, subject to the limitations set forth in this Arbitration Provision. The arbitrator will not be bound by judicial rules of procedure and evidence that would apply in a court. The arbitrator shall take steps to reasonably protect confidential information.

14.9 This Arbitration Provision shall survive (i) suspension, termination, revocation, closure, or amendments to this Agreement and the relationship of the parties; (ii) the bankruptcy or insolvency of any party hereto or other party; and (iii) any transfer of any Common Stock to any other party. If any portion of this Arbitration Provision other than Section 14.6 is deemed invalid or unenforceable, the remaining portions of this Arbitration Provision shall nevertheless remain valid and in force. If arbitration is brought on a class, representative, or collective basis, and the limitations on such proceedings in Section 14.5 are finally adjudicated pursuant to the last sentence of Section 14.6 to be unenforceable, then no arbitration shall be had. In no event shall any invalidation be deemed to authorize an arbitrator to determine Claims or make awards beyond those authorized in this Arbitration Provision.

14.10 THE PARTIES ACKNOWLEDGE THAT THEY HAVE A RIGHT TO LITIGATE CLAIMS THROUGH A COURT BEFORE A JUDGE, BUT WILL NOT HAVE THAT RIGHT IF ANY PARTY ELECTS ARBITRATION PURSUANT TO THIS ARBITRATION PROVISION. THE PARTIES HEREBY KNOWINGLY AND VOLUNTARILY WAIVE THEIR RIGHTS TO LITIGATE SUCH CLAIMS IN A COURT UPON ELECTION OF ARBITRATION BY ANY PARTY. THE PARTIES HERETO WAIVE A TRIAL BY JURY IN ANY LITIGATION RELATING TO THIS AGREEMENT OR ANY OTHER AGREEMENTS RELATED TO IT.

14.11 The Exodus Parties agree and acknowledge that nothing in this Agreement shall be deemed to constitute a waiver of any Exodus Party's compliance with the federal securities laws and the rules and regulations thereunder, nor shall it constitute a waiver by the Subscriber of any of the Subscriber's legal rights under applicable U.S. federal securities laws or any other laws whose applicability is not permitted to be contractually waived. In addition, this Arbitration Provision shall not apply to claims arising under the U.S. federal securities laws.

15. **Additional Information and Subsequent Changes in the Foregoing Representations, Warranties and Covenants.**

15.1 The Subscriber agrees to provide any additional documentation the Company may reasonably request, including documentation as may be required by the Company to form a reasonable basis that the Subscriber qualifies as an "accredited investor" as that term is defined in Rule 501 under Regulation D promulgated under the Securities Act, or otherwise as a "qualified purchaser" as that term is defined in Regulation A promulgated under the Securities Act, or as may be required by the securities administrators or regulators of any state, to confirm that the Subscriber meets any applicable minimum financial suitability standards and has satisfied any applicable maximum investment limits.

15.2 Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of each of the parties hereto.

15.3 The parties agree to execute and deliver such further documents and information as may be reasonably required in order to effectuate the purposes of this Agreement.

15.4 The Subscriber acknowledges and agrees that it will provide additional information or take such other actions as may be necessary or advisable for the Exodus Parties (in the sole and absolute judgment of such party or parties) to comply with any disclosure and compliance policies, related legal process or appropriate requests (whether formal or informal), tax reporting and/or withholding requirements or otherwise.

16. **Termination.**

16.1 In addition to any other event or development described in this Agreement as permitting or requiring termination, each of the following events will cause this Agreement to terminate and expire:

16.1.1 In the discretion of the Subscriber, Subscriber shall be permitted to revoke its subscription and terminate this Agreement by providing written notice to the Company if (i) the Company determines to abandon the Offering or the Company is unable to complete the Closing within 60 days after the end of the term of the "cash offering" (as such term is defined in the Offering Circular), (ii) or the Company determines to only partially accept Subscriber's subscription; *provided, however*, that in the case of each of clauses (i) and (ii), the Company shall promptly provide notice to Subscriber of such determination, which in the case of clause (ii) may be made in accordance with Section 17.2, and in the case of clause (i) shall be made by filing an offering circular supplement via Rule 253(g)(2) of Regulation A and a Form 1-U and posting a notice on the Company's website at www.exodus.io/offering announcing such determination, and the Subscriber shall have ten (10) days to revoke his or her subscription following such announcement or receipt of such notice;

16.1.2 At the discretion of the Company, any breach of any provision of this Agreement (including, without limitation, through any inaccuracy, omission, or incompleteness of a representation or warranty of the Subscriber in this Agreement); and/or

16.1.3 At the discretion of the Company, any determination by the Company that the Subscription in any way results in a material violation of applicable law.

16.2 In the event of termination, Sections 5 (Rights to Use Subscriber Information), 6 (Relationship between Subscriber and the Exodus Parties), 10 (Transfer and Storage of Personal Data), 11 (Consent to Electronic Delivery of Notices, Disclosures and Forms), 13 (Limitations on Damages), 14 (Arbitration), 16 (Termination), and 17 (Miscellaneous Provisions) shall survive.

16.2.1 Upon delivery of the Common Stock to Subscriber pursuant to this Agreement, Subscriber's obligations, pursuant to the Subscriber Questionnaire and Section 4 of this Agreement, to inform the Company of any changes in any statements made in this Agreement, shall terminate with respect to any such changes that relate solely to the period after the delivery of the Common Stock.

17. **Representation.**

The Subscriber and the Company acknowledges that WSGR may have represented and may currently represent the Subscriber in other matters or transactions. In the course of such representation, WSGR may have come into possession of confidential information relating to the Subscriber. Both the Subscriber and the Company acknowledge that WSGR is representing only the Company in connection with the Offering and the transactions contemplated by the Subscriber Agreements. By executing this Agreement, both the Subscriber and the Company hereby waive any actual or potential conflict of interest which may arise as a result of WSGR's representation of such persons and entities and WSGR's possession of such confidential information. The Subscriber and the Company each represent that it has had the opportunity to consult with independent counsel concerning the giving of this waiver.

18. **Miscellaneous Provisions.**

18.1 **Governing Law; Consent to Jurisdiction; Venue and Service of Process.** Notwithstanding the place where this Agreement may be executed by any of the parties hereto, the parties expressly agree that all the terms and provisions hereof shall be construed under the laws of the State of New York. To the extent permissible under applicable law, the Subscriber hereby irrevocably agrees that any suit, action or proceeding ("**Action**") with respect to this Agreement may, but need not, be resolved, whether by arbitration or otherwise, within the State of New York. Accordingly, the parties consent and submit to the non-exclusive jurisdiction of the federal and state courts and any applicable arbitral body located within the State of New York. The Subscriber agrees and consents that service of process as provided by U.S. federal and New York law may be made upon the Subscriber in any such Action brought in any of said courts, and may not claim that any such suit, action or proceeding has been brought in an inconvenient forum.

18.2 **E-Mail Communications.** All notices and communications to be given or otherwise made to the Subscriber shall be deemed to be sufficient if sent by e-mail to such address provided by the Subscriber via the Site. Unless otherwise specified in this Agreement, Subscriber shall send all notices or other communications required to be given hereunder to the Company via e-mail at legal@exodus.io. Any such notice or communication shall be deemed to have been delivered and received on the first business day following that on which the e-mail has been sent (assuming that there is no error in delivery). As used in this Section 17.2, "business day" shall mean any day other than a day on which banking institutions in the State of Delaware are legally closed for business.

18.3 **Assignability.** This Agreement, or the rights, obligations or interests of the Subscriber hereunder, may not be assigned, transferred or delegated without the prior written consent of the Company. Any such assignment, transfer or delegation in violation of this Section 17.3 shall be null and void.

18.4 **Severability.** If any provision of this Agreement is invalid or unenforceable under any applicable law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such applicable law. Any provision hereof that may be held invalid or unenforceable under any applicable law shall not affect the validity or enforceability of any other provisions hereof, and to this extent the provisions hereof shall be severable.

18.5 **Reimbursement of Costs Related to an Action.** In the event that either party hereto shall commence any suit, action or other proceeding to interpret this Agreement, or determine to enforce any right or obligation created in this Agreement, then such party, if it prevails in such action, shall recover its reasonable costs and expenses incurred in connection therewith, including, but not limited to, reasonable attorney's fees and expenses and costs of appeal, if any.

18.6 **Entire Agreement.** This Agreement (including the exhibits and schedules attached to this Agreement) and the documents referred to in this Agreement constitute the entire agreement among the parties and shall constitute the sole documents setting forth terms and conditions of the Subscriber's contractual relationship with the Company with regard to the matters set forth in this Agreement. This Agreement supersedes any and all prior or contemporaneous communications, whether oral, written or electronic, between the Company and the Subscriber. Irrespective of the foregoing, the Subscriber and the Company may enter into a separate agreement for each of Subscriber's purchase in the general offering and the voucher program, as such terms are defined in the Offering Circular, as applicable.

18.7 **Third-Party Beneficiaries.** The parties acknowledge that there are no third-party beneficiaries of this Agreement, except for any affiliates of the Company that may be involved in the issuance or servicing of Common Stock on the Site, which the parties expressly agree shall be third-party beneficiaries hereof.

18.8 **Headings.** The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

19. **Glossary.**

19.1 **"Common Stock"** means shares of the Company's Class A common stock, including shares of Class A common stock issuable upon the automatic conversion of the Company's Class B common stock in connection with a transfer.

19.2 **"DGCL"** means the General Corporation Law of the State of Delaware.

19.3 **"Exodus Parties"** means the Company and any of its affiliates, and each of their respective directors, managers, officers, stockholders, members, partners, employees or agents.

19.4 **"Offering Circular"** means the offering circular relating to the offer and sale of shares of Common Stock by the Company and the Selling Stockholders, as in effect and filed with the SEC from time to time.

19.5 **"Offering"** means the offer and sale of Common Stock by the Company and the Selling Stockholders pursuant to Regulation A under the Securities Act contemplated by the Offering Circular.

19.6 **"Privacy Notice"** means the privacy notice for the Company and its affiliates.

19.7 **"SEC"** means the U.S. Securities and Exchange Commission.

19.8 **"Securities Act"** means the Securities Act of 1933, as amended.

19.9 **"Selling Stockholders"** means the stockholders of the Company participating in the Offering and identified in the Offering Circular.

19.10 **"Subscriber Agreements"** means, collectively, the Subscriber Questionnaire and the Agreement.

19.11 **"Subscriber Questionnaire"** means the questions and responses provided by the Subscriber in the course of completing the **"invest flow"** process, including without limitation the account information questionnaire, on the Site.

19.12 **"Subscription Information"** means, collectively, (1) the Subscriber Agreements, (2) [the International Supplement], (3) the Offering Circular, (4) all exhibits to the offering circular, including all **"testing the waters"** materials filed therewith in compliance with Rule 255 under the Securities Act, and (5) the Privacy Notice.

19.13 **"Transfer Agent"** means Securitize, Inc.

19.14 **"WSGR"** means Wilson Sonsini Goodrich & Rosati, P.C., counsel to the Company.

[Signature Page to Follow]

E-SIGNATURE PAGE

☐ By checking this box and clicking the "I Agree" button, I agree to comply with and be bound by all terms of this Agreement and the other Subscriber Agreements. I acknowledge and accept that all purchases of the Class A Common Stock under this Agreement are final, and there are no refunds or cancellations except as may be required by this Agreement, applicable law or regulation. I further acknowledge and accept that the Company reserves the right to refuse, cancel or accept or, subject to Section 16, cancel this Agreement at any time in its sole discretion.

Entity Name:	<u>[ENTITY_NAME]</u>
By:	<u>/s/ [SIGNATORY_NAME]</u>
Name:	<u>[SIGNATORY_NAME]</u>
Title:	<u>[SIGNATORY_TITLE]</u>
Submission Date:	<u>[INVESTMENT_SIGN_DATE]</u>

Total Purchase Amount:	<u>\$(PURCHASE_AMOUNT)</u>
General Sale Purchase Price:	<u>[\$0.00]</u>
Number of Shares of Common Stock:	

**AGREED AND ACCEPTED BY
THE COMPANY AND THE SELLING STOCKHOLDERS:**
EXODUS MOVEMENT, INC.

By:	<u></u>
Name:	<u></u>
Title:	<u>Chief Executive Officer</u>
Effective Date:	<u>[EFFECTIVE_DATE]</u>

Exodus Movement, Inc.
15418 Weir St. #333
Omaha, Nebraska 68137
(833) 992-2566

By:	<u></u>
Name:	<u>[NAME]</u>
Title:	<u>Attorney-in-Fact</u>
Effective Date:	<u>[EFFECTIVE_DATE]</u>

EXODUS MOVEMENT, INC.

2019 EQUITY INCENTIVE PLAN

ADOPTED BY THE BOARD OF DIRECTORS: September 30, 2019

APPROVED BY THE STOCKHOLDERS: September 30, 2019

1. GENERAL.

(a) **Eligible Stock Award Recipients.** Employees, Directors and Consultants are eligible to receive Stock Awards.

(b) **Available Stock Awards.** The Plan provides for the grant of the following types of Stock Awards: (i) Incentive Stock Options, (ii) Nonstatutory Stock Options, (iii) Stock Appreciation Rights, (iv) Restricted Stock Awards, (v) Restricted Stock Unit Awards and (vi) Other Stock Awards.

(c) **Purpose.** The Plan, through the grant of Stock Awards, is intended to help the Company secure and retain the services of eligible award recipients, provide incentives for such persons to exert maximum efforts for the success of the Company and any Affiliate and provide a means by which the eligible recipients may benefit from increases in value of the Common Stock.

2. ADMINISTRATION.

(a) **Administration by the Board.** The Board will administer the Plan. The Board may delegate administration of the Plan to a Committee or Committees, as provided in Section 2(c).

(b) **Powers of the Board.** The Board will have the power, subject to, and within the limitations of, the express provisions of the Plan:

(i) To determine (A) who will be granted Stock Awards; (B) when and how each Stock Award will be granted; (C) what type of Stock Award will be granted; (D) the provisions of each Stock Award (which need not be identical), including when a person will be permitted to exercise or otherwise receive cash or Common Stock under the Stock Award; (E) the number of shares of Common Stock subject to, or the cash value of, a Stock Award; and (F) the Fair Market Value applicable to a Stock Award.

(ii) To construe and interpret the Plan and Stock Awards granted under it, and to establish, amend and revoke rules and regulations for administration of the Plan and Stock Awards. The Board, in the exercise of these powers, may correct any defect, omission or inconsistency in the Plan or in any Stock Award Agreement, in a manner and to the extent it will deem necessary or expedient to make the Plan or Stock Award fully effective.

(iii) To settle all controversies regarding the Plan and Stock Awards granted under it.

(iv) To accelerate, in whole or in part, the time at which a Stock Award may be exercised or vest (or the time at which cash or shares of Common Stock may be issued in settlement thereof).

(v) To suspend or terminate the Plan at any time. Except as otherwise provided in the Plan or a Stock Award Agreement, suspension or termination of the Plan will not impair a Participant's rights under the Participant's then-outstanding Stock Award without the Participant's written consent except as provided in subsection (viii) below.

(vi) To amend the Plan in any respect the Board deems necessary or advisable, including, without limitation, by adopting amendments relating to Incentive Stock Options and certain nonqualified deferred compensation under Section 409A of the Code and/or bringing the Plan or Stock Awards granted under the Plan into compliance with the requirements for Incentive Stock Options or ensuring that they are exempt from, or compliant with, the requirements for nonqualified deferred compensation under Section 409A of the Code, subject to the limitations, if any, of applicable law. If required by applicable law or listing requirements, and except as provided in Section 9(a) relating to Capitalization Adjustments, the Company will seek stockholder approval of any amendment of the Plan that (A) materially increases the number of shares of Common Stock available for issuance under the Plan, (B) materially expands the class of individuals eligible to receive Stock Awards under the Plan, (C) materially increases the benefits accruing to Participants under the Plan, (D) materially reduces the price at which shares of Common Stock may be issued or purchased under the Plan, (E) materially extends the term of the Plan, or (F) materially expands the types of Stock Awards available for issuance under the Plan. Except as otherwise provided in the Plan or a Stock Award Agreement, no amendment of the Plan will materially impair a Participant's rights under an outstanding Stock Award without the Participant's written consent.

(vii) To submit any amendment to the Plan for stockholder approval, including, but not limited to, amendments to the Plan intended to satisfy the requirements of Section 422 of the Code regarding Incentive Stock Options.

(viii) To approve forms of Stock Award Agreements for use under the Plan and to amend the terms of any one or more Stock Awards, including, but not limited to, amendments to provide terms more favorable to the Participant than previously provided in the Stock Award Agreement, subject to any specified limits in the Plan that are not subject to Board discretion; *provided however*, that a Participant's rights under any Stock Award will not be impaired by any such amendment unless (A) the Company requests the consent of the affected Participant, and (B) such Participant consents in writing. Notwithstanding the foregoing, (1) a Participant's rights will not be deemed to have been impaired by any such amendment if the Board, in its sole discretion, determines that the amendment, taken as a whole, does not materially impair the Participant's rights, and (2) subject to the limitations of applicable law, if any, the Board may amend the terms of any one or more Stock Awards without the affected Participant's consent (A) to maintain the qualified status of the Stock Award as an Incentive Stock Option under Section 422 of the Code; (B) to change the terms of an Incentive Stock Option, if such change results in impairment of the Stock Award solely because it impairs the qualified status of the Stock Award as an Incentive Stock Option under Section 422 of the Code; (C) to clarify the manner of exemption from, or to bring the Stock Award into compliance with, Section 409A of the Code; or (D) to comply with other applicable laws.

(ix) Generally, to exercise such powers and to perform such acts as the Board deems necessary or expedient to promote the best interests of the Company and that are not in conflict with the provisions of the Plan or Stock Awards.

(x) To adopt such procedures and sub-plans as are necessary or appropriate to permit participation in the Plan by Employees, Directors or Consultants who are foreign nationals or employed outside the United States (provided that Board approval will not be necessary for immaterial modifications to the Plan or any Stock Award Agreement that are required for compliance with the laws of the relevant foreign jurisdiction).

(xi) To effect, with the consent of any adversely affected Participant, (A) the reduction of the exercise, purchase or strike price of any outstanding Stock Award; (B) the cancellation of any outstanding Stock Award and the grant in substitution therefor of a new (1) Option or SAR, (2) Restricted Stock Award, (3) Restricted Stock Unit Award, (4) Other Stock Award, (5) cash and/or (6) other valuable consideration determined by the Board, in its sole discretion, with any such substituted award (x) covering the same or a different number of shares of Common Stock as the cancelled Stock Award and (y) granted under the Plan or another equity or compensatory plan of the Company; or (C) any other action that is treated as a repricing under generally accepted accounting principles.

(c) **Delegation to Committee.** The Board may delegate some or all of the administration of the Plan to a Committee or Committees. If administration of the Plan is delegated to a Committee, the Committee will have, in connection with the administration of the Plan, the powers theretofore possessed by the Board that have been delegated to the Committee, including the power to delegate to a subcommittee of the Committee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board will thereafter be to the Committee or subcommittee, as applicable). Any delegation of administrative powers will be reflected in resolutions, not inconsistent with the provisions of the Plan, adopted from time to time by the Board or Committee (as applicable). The Board may retain the authority to concurrently administer the Plan with the Committee and may, at any time, revert in the Board some or all of the powers previously delegated.

(d) **Delegation to an Officer.** The Board may delegate to one or more Officers the authority to do one or both of the following: (i) designate Employees who are not Officers to be recipients of Options and SARs (and, to the extent permitted by applicable law, other Stock Awards) and, to the extent permitted by applicable law, the terms of such Stock Awards, and (ii) determine the number of shares of Common Stock to be subject to such Stock Awards granted to such Employees; *provided, however*, that the Board resolutions regarding such delegation will specify the total number of shares of Common Stock that may be subject to the Stock Awards granted by such Officer and that such Officer may not grant a Stock Award to himself or herself. Any such Stock Awards will be granted on the form of Stock Award Agreement most recently approved for use by the Committee or the Board, unless otherwise provided in the resolutions approving the delegation authority. The Board may not delegate authority to an Officer who is acting solely in the capacity of an Officer (and not also as a Director) to determine the Fair Market Value pursuant to Section 13(t) below.

(e) **Effect of Board's Decision.** All determinations, interpretations and constructions made by the Board in good faith will not be subject to review by any person and will be final, binding and conclusive on all persons.

3. SHARES SUBJECT TO THE PLAN.

(a) **Share Reserve.**

(i) Subject to Section 9(a) relating to Capitalization Adjustments, the aggregate number of shares of Common Stock that may be issued pursuant to Stock Awards from and after the Effective Date will not exceed 1,500,000 shares (the "*Share Reserve*").

(ii) For clarity, the Share Reserve in this Section 3(a) is a limitation on the number of shares of Common Stock that may be issued pursuant to the Plan. Accordingly, this Section 3(a) does not limit the granting of Stock Awards except as provided in Section 7(a).

(b) **Reversion of Shares to the Share Reserve.** If a Stock Award or any portion thereof (i) expires or otherwise terminates without all of the shares covered by such Stock Award having been issued or (ii) is settled in cash (*i.e.*, the Participant receives cash rather than stock), such expiration, termination or settlement will not reduce (or otherwise offset) the number of shares of Common Stock that may be available for issuance under the Plan. If any shares of Common Stock issued pursuant to a Stock Award are forfeited back to or repurchased by the Company because of the failure to meet a contingency or condition required to vest such shares in the Participant, then the shares that are forfeited or repurchased will revert to and again become available for issuance under the Plan. Any shares reacquired by the Company in satisfaction of tax withholding obligations on a Stock Award or as consideration for the exercise or purchase price of a Stock Award will again become available for issuance under the Plan.

(c) **Incentive Stock Option Limit.** Subject to the Share Reserve and Section 9(a) relating to Capitalization Adjustments, the aggregate maximum number of shares of Common Stock that may be issued pursuant to the exercise of Incentive Stock Options will be a number of shares of Common Stock equal to three multiplied by the Share Reserve.

(d) **Source of Shares.** The stock issuable under the Plan will be shares of authorized but unissued or reacquired Common Stock, including shares repurchased by the Company on the open market or otherwise.

4. ELIGIBILITY.

(a) **Eligibility for Specific Stock Awards.** Incentive Stock Options may be granted only to employees of the Company or a “parent corporation” or “subsidiary corporation” thereof (as such terms are defined in Sections 424(e) and 424(f) of the Code). Stock Awards other than Incentive Stock Options may be granted to Employees, Directors and Consultants; *provided, however*, that Stock Awards may not be granted to Employees, Directors and Consultants who are providing Continuous Service only to any “parent” of the Company, as such term is defined in Rule 405, unless (i) the stock underlying such Stock Awards is treated as “service recipient stock” under Section 409A of the Code (for example, because the Stock Awards are granted pursuant to a corporate transaction such as a spin off transaction), (ii) the Company, in consultation with its legal counsel, has determined that such Stock Awards are otherwise exempt from Section 409A of the Code, or (iii) the Company, in consultation with its legal counsel, has determined that such Stock Awards comply with the distribution requirements of Section 409A of the Code.

(b) **Ten Percent Stockholders.** A Ten Percent Stockholder will not be granted an Incentive Stock Option unless the exercise price of such Option is at least 110% of the Fair Market Value on the date of grant and the Option is not exercisable after the expiration of five years from the date of grant.

(c) **Consultants.** A Consultant will not be eligible for the grant of a Stock Award if, at the time of grant, either the offer or sale of the Company’s securities to such Consultant is not exempt under Rule 701 because of the nature of the services that the Consultant is providing to the Company, because the Consultant is not a natural person, or because of any other provision of Rule 701, unless the Company determines that such grant need not comply with the requirements of Rule 701 and will satisfy another exemption under the Securities Act as well as comply with the securities laws of all other relevant jurisdictions.

5. PROVISIONS RELATING TO OPTIONS AND STOCK APPRECIATION RIGHTS.

Each Option or SAR will be in such form and will contain such terms and conditions as the Board deems appropriate. All Options will be separately designated Incentive Stock Options or Nonstatutory Stock Options at the time of grant, and, if certificates are issued, a separate certificate or certificates will be issued for shares of Common Stock purchased on exercise of each type of Option. If an Option is not specifically designated as an Incentive Stock Option, or if an Option is designated as an Incentive Stock Option but some portion or all of the Option fails to qualify as an Incentive Stock Option under the applicable rules, then the Option (or portion thereof) will be a Nonstatutory Stock Option. The provisions of separate Options or SARs need not be identical; *provided, however*, that each Stock Award Agreement will conform to (through incorporation of provisions hereof by reference in the applicable Stock Award Agreement or otherwise) the substance of each of the following provisions:

(a) **Term.** Subject to the provisions of Section 4(b) regarding Ten Percent Stockholders, no Option or SAR will be exercisable after the expiration of 10 years from the date of its grant or such shorter period specified in the Stock Award Agreement.

(b) **Exercise Price.** Subject to the provisions of Section 4(b) regarding Ten Percent Stockholders, the exercise or strike price of each Option or SAR will be not less than 100% of the Fair Market Value of the Common Stock subject to the Option or SAR on the date the Stock Award is granted. Notwithstanding the foregoing, an Option or SAR may be granted with an exercise or strike price lower than 100% of the Fair Market Value of the Common Stock subject to the Stock Award if such Stock Award is granted pursuant to an assumption of or substitution for another option or stock appreciation right pursuant to a Corporate Transaction and in a manner consistent with the provisions of Section 409A of the Code and, if applicable, Section 424(a) of the Code. Each SAR will be denominated in shares of Common Stock equivalents.

(c) **Purchase Price for Options.** The purchase price of Common Stock acquired pursuant to the exercise of an Option may be paid, to the extent permitted by applicable law and as determined by the Board in its sole discretion, by any combination of the methods of payment set forth below. The Board will have the authority to grant Options that do not permit all of the following methods of payment (or otherwise restrict the ability to use certain methods) and to grant Options that require the consent of the Company to use a particular method of payment. The permitted methods of payment are as follows:

- (i) by cash, check, bank draft or money order payable to the Company in a currency, including virtual currency, deemed acceptable by the Board;
- (ii) pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board that, prior to the issuance of the stock subject to the Option, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the aggregate exercise price to the Company from the sales proceeds;
- (iii) by delivery to the Company (either by actual delivery or attestation) of shares of Common Stock;

(iv) if an Option is a Nonstatutory Stock Option, by a “net exercise” arrangement pursuant to which the Company will reduce the number of shares of Common Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price; *provided, however*, that the Company will accept a cash or other payment from the Participant to the extent of any remaining balance of the aggregate exercise price not satisfied by such reduction in the number of whole shares to be issued. Shares of Common Stock will no longer be subject to an Option and will not be exercisable thereafter to the extent that (A) shares issuable upon exercise are used to pay the exercise price pursuant to the “net exercise,” (B) shares are delivered to the Participant as a result of such exercise, and (C) shares are withheld to satisfy tax withholding obligations;

(v) according to a deferred payment or similar arrangement with the Optionholder; *provided, however*, that interest will compound at least annually and will be charged at the minimum rate of interest necessary to avoid (A) the imputation of interest income to the Company and compensation income to the Optionholder under any applicable provisions of the Code, and (B) the classification of the Option as a liability for financial accounting purposes; or

(vi) in any other form of legal consideration that may be acceptable to the Board and specified in the applicable Stock Award Agreement.

(d) **Exercise and Payment of a SAR.** To exercise any outstanding SAR, the Participant must provide written notice of exercise to the Company in compliance with the provisions of the Stock Appreciation Right Agreement evidencing such SAR. The appreciation distribution payable on the exercise of a SAR will be not greater than an amount equal to the excess of (A) the aggregate Fair Market Value (on the date of the exercise of the SAR) of a number of shares of Common Stock equal to the number of Common Stock equivalents in which the Participant is vested under such SAR, and with respect to which the Participant is exercising the SAR on such date, over (B) the aggregate strike price of the number of Common Stock equivalents with respect to which the Participant is exercising the SAR on such date. The appreciation distribution may be paid in Common Stock, in cash, in any combination of the two or in any other form of consideration, as determined by the Board and contained in the Stock Award Agreement evidencing such SAR.

(e) **Transferability of Options and SARs.** The Board may, in its sole discretion, impose such limitations on the transferability of Options and SARs as the Board will determine. In the absence of such a determination by the Board to the contrary, the following restrictions on the transferability of Options and SARs will apply:

(i) **Restrictions on Transfer.** An Option or SAR will not be transferable except by will or by the laws of descent and distribution (or pursuant to subsections (ii) and (iii) below), and will be exercisable during the lifetime of the Participant only by the Participant. The Board may permit transfer of the Option or SAR in a manner that is not prohibited by applicable tax and securities laws. Except as explicitly provided in the Plan, neither an Option nor a SAR may be transferred for consideration.

(ii) **Domestic Relations Orders.** Subject to the approval of the Board or a duly authorized Officer, an Option or SAR may be transferred pursuant to the terms of a domestic relations order, official marital settlement agreement or other divorce or separation instrument as permitted by Treasury Regulation 1.421-1(b)(2). If an Option is an Incentive Stock Option, such Option may be deemed to be a Nonstatutory Stock Option as a result of such transfer.

(iii) **Beneficiary Designation.** Subject to the approval of the Board or a duly authorized Officer, a Participant may, by delivering written notice to the Company, in a form approved by the Company (or the designated broker), designate a third party who, upon the death of the Participant, will thereafter be entitled to exercise the Option or SAR and receive the Common Stock or other consideration resulting from such exercise. In the absence of such a designation, upon the death of the Participant, the executor or administrator of the Participant's estate will be entitled to exercise the Option or SAR and receive the Common Stock or other consideration resulting from such exercise. However, the Company may prohibit designation of a beneficiary at any time, including due to any conclusion by the Company that such designation would be inconsistent with the provisions of applicable laws.

(f) **Vesting Generally.** The total number of shares of Common Stock subject to an Option or SAR may vest and therefore become exercisable in periodic installments that may or may not be equal. The Option or SAR may be subject to such other terms and conditions on the time or times when it may or may not be exercised (which may be based on the satisfaction of performance goals or other criteria) as the Board may deem appropriate. The vesting provisions of individual Options or SARs may vary. The provisions of this Section 5(f) are subject to any Option or SAR provisions governing the minimum number of shares of Common Stock as to which an Option or SAR may be exercised.

(g) **Termination of Continuous Service.** Except as otherwise provided in the applicable Stock Award Agreement or other agreement between the Participant and the Company, if a Participant's Continuous Service terminates (other than for Cause and other than upon the Participant's death or Disability), the Participant may exercise his or her Option or SAR (to the extent that the Participant was entitled to exercise such Stock Award as of the date of termination of Continuous Service) within the period of time ending on the earlier of (i) the date three months following the termination of the Participant's Continuous Service (or such longer or shorter period specified in the applicable Stock Award Agreement, which period will not be less than 30 days if necessary to comply with applicable laws unless such termination is for Cause) and (ii) the expiration of the term of the Option or SAR as set forth in the Stock Award Agreement. If, after termination of Continuous Service, the Participant does not exercise his or her Option or SAR (as applicable) within the applicable time frame, the Option or SAR will terminate.

(h) **Extension of Termination Date.** If the exercise of an Option or SAR following the termination of the Participant's Continuous Service (other than for Cause and other than upon the Participant's death or Disability) would be prohibited at any time solely because the issuance of shares of Common Stock would violate the registration requirements under the Securities Act, then the Option or SAR will terminate on the earlier of (i) the expiration of a total period of time (that need not be consecutive) equal to the applicable post-termination exercise period after the termination of the Participant's Continuous Service during which the exercise of the Option or SAR would not be in violation of such registration requirements, and (ii) the expiration of the term of the Option or SAR as set forth in the applicable Stock Award Agreement. In addition, unless otherwise provided in a Participant's Stock Award Agreement, if the sale of any Common Stock received upon exercise of an Option or SAR following the termination of the Participant's Continuous Service (other than for Cause) would violate the Company's insider trading policy, then the Option or SAR will terminate on the earlier of (i) the expiration of the period of time (that need not be consecutive) equal to the applicable post-termination exercise period after the termination of the Participant's Continuous Service during which the sale of the Common Stock received upon exercise of the Option or SAR would not be in violation of the Company's insider trading policy, and (ii) the expiration of the term of the Option or SAR as set forth in the applicable Stock Award Agreement.

(i) **Disability of Participant.** Except as otherwise provided in the applicable Stock Award Agreement or other agreement between the Participant and the Company, if a Participant's Continuous Service terminates as a result of the Participant's Disability, the Participant may exercise his or her Option or SAR (to the extent that the Participant was entitled to exercise such Option or SAR as of the date of termination of Continuous Service), but only within such period of time ending on the earlier of (i) the date 12 months following such termination of Continuous Service (or such longer or shorter period specified in the Stock Award Agreement, which period will not be less than six months if necessary to comply with applicable laws unless such termination is for Cause), and (ii) the expiration of the term of the Option or SAR as set forth in the Stock Award Agreement. If, after termination of Continuous Service, the Participant does not exercise his or her Option or SAR within the applicable time frame, the Option or SAR (as applicable) will terminate.

(j) **Death of Participant.** Except as otherwise provided in the applicable Stock Award Agreement or other agreement between the Participant and the Company, if (i) a Participant's Continuous Service terminates as a result of the Participant's death, or (ii) the Participant dies within the period (if any) specified in the Stock Award Agreement for exercisability after the termination of the Participant's Continuous Service (for a reason other than death), then the Option or SAR may be exercised (to the extent the Participant was entitled to exercise such Option or SAR as of the date of death) by the Participant's estate, by a person who acquired the right to exercise the Option or SAR by bequest or inheritance or by a person designated to exercise the Option or SAR upon the Participant's death, but only within the period ending on the earlier of (i) the date 18 months following the date of death (or such longer or shorter period specified in the Stock Award Agreement, which period will not be less than six months if necessary to comply with applicable laws unless such termination is for Cause), and (ii) the expiration of the term of such Option or SAR as set forth in the Stock Award Agreement. If, after the Participant's death, the Option or SAR is not exercised within the applicable time frame, the Option or SAR (as applicable) will terminate.

(k) **Termination for Cause.** Except as explicitly provided otherwise in a Participant's Stock Award Agreement or other individual written agreement between the Company or any Affiliate and the Participant, if a Participant's Continuous Service is terminated for Cause, the Option or SAR will terminate immediately upon such Participant's termination of Continuous Service, and the Participant will be prohibited from exercising his or her Option or SAR from and after the date of such termination of Continuous Service.

(l) **Non-Exempt Employees.** If an Option or SAR is granted to an Employee who is a non-exempt employee for purposes of the Fair Labor Standards Act of 1938, as amended, the Option or SAR will not be first exercisable for any shares of Common Stock until at least six months following the date of grant of the Option or SAR (although the Stock Award may vest prior to such date). Consistent with the provisions of the Worker Economic Opportunity Act, (i) if such non-exempt Employee dies or suffers a Disability, (ii) upon a Corporate Transaction in which such Option or SAR is not assumed, continued, or substituted, (iii) upon a Change in Control, or (iv) upon the Participant's retirement (as such term may be defined in the Participant's Stock Award Agreement, in another agreement between the Participant and the Company, or, if no such definition, in accordance with the Company's then current employment policies and guidelines), the vested portion of any Options and SARs may be exercised earlier than six months following the date of grant. The foregoing provision is intended to operate so that any income derived by a non-exempt employee in connection with the exercise or vesting of an Option or SAR will be exempt from his or her regular rate of pay. To the extent permitted and/or required for compliance with the Worker Economic Opportunity Act to ensure that any income derived by a non-exempt employee in connection with the exercise, vesting or issuance of any shares under any other Stock Award will be exempt from the employee's regular rate of pay, the provisions of this Section 5(l) will apply to all Stock Awards and are hereby incorporated by reference into such Stock Award Agreements.

(m) **Early Exercise of Options.** An Option may, but need not, include a provision whereby the Optionholder may elect at any time before the Optionholder's Continuous Service terminates to exercise the Option as to any part or all of the shares of Common Stock subject to the Option prior to the full vesting of the Option. Subject to the "Repurchase Limitation" in Section 8(l), any unvested shares of Common Stock so purchased may be subject to a repurchase right in favor of the Company or to any other restriction the Board determines to be appropriate. Provided that the "Repurchase Limitation" in Section 8(l) is not violated, the Company will not be required to exercise its repurchase right until at least six months (or such longer or shorter period of time required to avoid classification of the Option as a liability for financial accounting purposes) have elapsed following exercise of the Option unless the Board otherwise specifically provides in the Option Agreement.

(n) **Right of Repurchase.** Subject to the "Repurchase Limitation" in Section 8(l), the Option or SAR may include a provision whereby the Company may elect to repurchase all or any part of the vested shares of Common Stock acquired by the Participant pursuant to the exercise of the Option or SAR.

(o) **Right of First Refusal.** The Option or SAR may include a provision whereby the Company may elect to exercise a right of first refusal following receipt of notice from the Participant of the intent to transfer all or any part of the shares of Common Stock received upon the exercise of the Option or SAR. Such right of first refusal will be subject to the "Repurchase Limitation" in Section 8(l). Except as expressly provided in this Section 5(o) or in the Stock Award Agreement, such right of first refusal will otherwise comply with any applicable provisions of the bylaws of the Company.

(p) **Section 83(i).** If Options or SARs are granted pursuant to a plan established by the Board that meets the requirements of Section 83(i) of the Code, the Company may, in the discretion of the Board, take such steps and establish such escrow arrangements, as are necessary to allow Participants to make the election under Section 83(i) of the Code.

6. PROVISIONS OF STOCK AWARDS OTHER THAN OPTIONS AND SARs.

(a) **Restricted Stock Awards.** Each Restricted Stock Award Agreement will be in such form and will contain such terms and conditions as the Board will deem appropriate. To the extent consistent with the Company's bylaws, at the Board's election, shares of Common Stock underlying a Restricted Stock Award may be (i) held in book entry form subject to the Company's instructions until any restrictions relating to the Restricted Stock Award lapse; or (ii) evidenced by a certificate, which certificate will be held in such form and manner as determined by the Board. The terms and conditions of Restricted Stock Award Agreements may change from time to time, and the terms and conditions of separate Restricted Stock Award Agreements need not be identical. Each Restricted Stock Award Agreement will conform to (through incorporation of the provisions hereof by reference in the agreement or otherwise) the substance of each of the following provisions:

(i) **Consideration.** A Restricted Stock Award may be awarded in consideration for (A) cash, check, bank draft or money order payable to the Company, (B) past services to the Company or an Affiliate, or (C) any other form of legal consideration (including future services) that may be acceptable to the Board, in its sole discretion, and permissible under applicable law.

- (ii) **Vesting.** Subject to the “Repurchase Limitation” in Section 8(l), shares of Common Stock awarded under the Restricted Stock Award Agreement may be subject to forfeiture to the Company in accordance with a vesting schedule to be determined by the Board.
- (iii) **Termination of Participant’s Continuous Service.** If a Participant’s Continuous Service terminates, the Company may receive through a forfeiture condition or a repurchase right, any or all of the shares of Common Stock held by the Participant that have not vested as of the date of termination of Continuous Service under the terms of the Restricted Stock Award Agreement.
- (iv) **Transferability.** Rights to acquire shares of Common Stock under the Restricted Stock Award Agreement will be transferable by the Participant only upon such terms and conditions as are set forth in the Restricted Stock Award Agreement, as the Board will determine in its sole discretion, so long as Common Stock awarded under the Restricted Stock Award Agreement remains subject to the terms of the Restricted Stock Award Agreement.
- (v) **Dividends.** A Restricted Stock Award Agreement may provide that any dividends paid on Restricted Stock will be subject to the same vesting and forfeiture restrictions as apply to the shares subject to the Restricted Stock Award to which they relate.
- (b) **Restricted Stock Unit Awards.** Each Restricted Stock Unit Award Agreement will be in such form and will contain such terms and conditions as the will Board deem appropriate. The terms and conditions of Restricted Stock Unit Award Agreements may change from time to time, and the terms and conditions of separate Restricted Stock Unit Award Agreements need not be identical. Each Restricted Stock Unit Award Agreement will conform to (through incorporation of the provisions hereof by reference in the Agreement or otherwise) the substance of each of the following provisions:
- (i) **Consideration.** At the time of grant of a Restricted Stock Unit Award, the Board will determine the consideration, if any, to be paid by the Participant upon delivery of each share of Common Stock subject to the Restricted Stock Unit Award. The consideration to be paid (if any) by the Participant for each share of Common Stock subject to a Restricted Stock Unit Award may be paid in any form of legal consideration that may be acceptable to the Board, in its sole discretion, and permissible under applicable law.
- (ii) **Vesting.** At the time of the grant of a Restricted Stock Unit Award, the Board may impose such restrictions on or conditions to the vesting of the Restricted Stock Unit Award as it, in its sole discretion, deems appropriate.
- (iii) **Payment.** A Restricted Stock Unit Award may be settled by the delivery of shares of Common Stock, their cash equivalent, any combination thereof or in any other form of consideration, as determined by the Board and contained in the Restricted Stock Unit Award Agreement.
- (iv) **Additional Restrictions.** At the time of the grant of a Restricted Stock Unit Award, the Board, as it deems appropriate, may impose such restrictions or conditions that delay the delivery of the shares of Common Stock (or their cash equivalent) subject to a Restricted Stock Unit Award to a time after the vesting of such Restricted Stock Unit Award.
- (v) **Dividend Equivalents.** Dividend equivalents may be credited in respect of shares of Common Stock covered by a Restricted Stock Unit Award, as determined by the Board and contained in the Restricted Stock Unit Award Agreement. At the sole discretion of the Board, such dividend equivalents may be converted into additional shares of Common Stock covered by the Restricted Stock Unit Award in such manner as determined by the Board. Any additional shares covered by the Restricted Stock Unit Award credited by reason of such dividend equivalents will be subject to all of the same terms and conditions of the underlying Restricted Stock Unit Award Agreement to which they relate.

(vi) **Termination of Participant's Continuous Service.** Except as otherwise provided in the applicable Restricted Stock Unit Award Agreement, such portion of the Restricted Stock Unit Award that has not vested will be forfeited upon the Participant's termination of Continuous Service.

(vii) **Compliance with Section 409A of the Code.** Notwithstanding anything to the contrary set forth herein, any Restricted Stock Unit Award granted under the Plan that is not exempt from the requirements of Section 409A of the Code shall contain such provisions so that such Restricted Stock Unit Award will comply with the requirements of Section 409A of the Code. Such restrictions, if any, shall be determined by the Board and contained in the Restricted Stock Unit Award Agreement evidencing such Restricted Stock Unit Award. For example, such restrictions may include, without limitation, a requirement that any Common Stock that is to be issued in a year following the year in which the Restricted Stock Unit Award vests must be issued in accordance with a fixed pre-determined schedule.

(c) **Other Stock Awards.** Other forms of Stock Awards valued in whole or in part by reference to, or otherwise based on, Common Stock, including the appreciation in value thereof (e.g., options or stock rights with an exercise price or strike price less than 100% of the Fair Market Value of the Common Stock at the time of grant) may be granted either alone or in addition to Stock Awards provided for under Section 5 and the preceding provisions of this Section 6. Subject to the provisions of the Plan, the Board will have sole and complete authority to determine the persons to whom and the time or times at which such Other Stock Awards will be granted, the number of shares of Common Stock (or the cash equivalent thereof) to be granted pursuant to such Other Stock Awards and all other terms and conditions of such Other Stock Awards.

7. COVENANTS OF THE COMPANY.

(a) **Availability of Shares.** The Company will keep available at all times the number of shares of Common Stock reasonably required to satisfy then-outstanding Stock Awards.

(b) **Securities Law Compliance.** The Company will seek to obtain from each regulatory commission or agency having jurisdiction over the Plan such authority as may be required to grant Stock Awards and to issue and sell shares of Common Stock upon exercise of the Stock Awards; *provided, however,* that this undertaking will not require the Company to register under the Securities Act the Plan, any Stock Award or any Common Stock issued or issuable pursuant to any such Stock Award. If, after reasonable efforts and at a reasonable cost, the Company is unable to obtain from any such regulatory commission or agency the authority that counsel for the Company deems necessary for the lawful issuance and sale of Common Stock under the Plan, the Company will be relieved from any liability for failure to issue and sell Common Stock upon exercise of such Stock Awards unless and until such authority is obtained. A Participant will not be eligible for the grant of a Stock Award or the subsequent issuance of cash or Common Stock pursuant to the Stock Award if such grant or issuance would be in violation of any applicable securities law.

(c) **No Obligation to Notify or Minimize Taxes.** The Company will have no duty or obligation to any Participant to advise such holder as to the time or manner of exercising such Stock Award. Furthermore, the Company will have no duty or obligation to warn or otherwise advise such holder of a pending termination or expiration of a Stock Award or a possible period in which the Stock Award may not be exercised. The Company has no duty or obligation to minimize the tax consequences of a Stock Award to the holder of such Stock Award.

8. MISCELLANEOUS.

(a) **Use of Proceeds from Sales of Common Stock.** Proceeds from the sale of shares of Common Stock pursuant to Stock Awards will constitute general funds of the Company.

(b) **Corporate Action Constituting Grant of Stock Awards.** Corporate action constituting a grant by the Company of a Stock Award to any Participant will be deemed completed as of the date of such corporate action, unless otherwise determined by the Board, regardless of when the instrument, certificate, or letter evidencing the Stock Award is communicated to, or actually received or accepted by, the Participant. In the event that the corporate records (e.g., Board consents, resolutions or minutes) documenting the corporate action constituting the grant contain terms (e.g., exercise price, vesting schedule or number of shares) that are inconsistent with those in the Stock Award Agreement or related grant documents as a result of a clerical error in the papering of the Stock Award Agreement or related grant documents, the corporate records will control and the Participant will have no legally binding right to the incorrect term in the Stock Award Agreement or related grant documents.

(c) **Stockholder Rights.** No Participant will be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Common Stock subject to a Stock Award unless and until (i) such Participant has satisfied all requirements for exercise of, or the issuance of shares of Common Stock under, the Stock Award pursuant to its terms, and (ii) the issuance of the Common Stock subject to the Stock Award has been entered into the books and records of the Company.

(d) **No Employment or Other Service Rights.** Nothing in the Plan, any Stock Award Agreement or any other instrument executed thereunder or in connection with any Stock Award granted pursuant thereto will confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Stock Award was granted or will affect the right of the Company or an Affiliate to terminate (i) the employment of an Employee with or without notice and with or without cause, (ii) the service of a Consultant pursuant to the terms of such Consultant's agreement with the Company or an Affiliate, or (iii) the service of a Director pursuant to the bylaws of the Company or an Affiliate, and any applicable provisions of the corporate law of the state in which the Company or the Affiliate is incorporated, as the case may be.

(e) **Change in Time Commitment.** In the event a Participant's regular level of time commitment in the performance of his or her services for the Company and any Affiliates is reduced (for example, and without limitation, if the Participant is an Employee of the Company and the Employee has a change in status from a full-time Employee to a part-time Employee or takes an extended leave of absence) after the date of grant of any Stock Award to the Participant, the Board has the right in its sole discretion to (x) make a corresponding reduction in the number of shares subject to any portion of such Stock Award that is scheduled to vest or become payable after the date of such change in time commitment, and (y) in lieu of or in combination with such a reduction, extend the vesting or payment schedule applicable to such Stock Award. In the event of any such reduction, the Participant will have no right with respect to any portion of the Stock Award that is so reduced or extended.

(f) **Incentive Stock Option Limitations.** To the extent that the aggregate Fair Market Value (determined at the time of grant) of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by any Optionholder during any calendar year (under all plans of the Company and any Affiliates) exceeds \$100,000 (or such other limit established in the Code) or otherwise does not comply with the rules governing Incentive Stock Options, the Options or portions thereof that exceed such limit (according to the order in which they were granted) or otherwise do not comply with such rules will be treated as Nonstatutory Stock Options, notwithstanding any contrary provision of the applicable Option Agreement(s).

(g) **Investment Assurances.** The Company may require a Participant, as a condition of exercising or acquiring Common Stock under any Stock Award, (i) to give written assurances satisfactory to the Company as to the Participant's knowledge and experience in financial and business matters and/or to employ a purchaser representative reasonably satisfactory to the Company who is knowledgeable and experienced in financial and business matters and that the Participant is capable of evaluating, alone or together with the purchaser representative, the merits and risks of exercising the Stock Award; and (ii) to give written assurances satisfactory to the Company stating that the Participant is acquiring Common Stock subject to the Stock Award for the Participant's own account and not with any present intention of selling or otherwise distributing the Common Stock. The foregoing requirements, and any assurances given pursuant to such requirements, will be inoperative if (A) the issuance of the shares upon the exercise or acquisition of Common Stock under the Stock Award has been registered under a then currently effective registration statement under the Securities Act, or (B) as to any particular requirement, a determination is made by counsel for the Company that such requirement need not be met in the circumstances under the then applicable securities laws. The Company may, upon advice of counsel to the Company, place legends on stock certificates issued under the Plan as such counsel deems necessary or appropriate in order to comply with applicable securities laws, including, but not limited to, legends restricting the transfer of the Common Stock.

(h) **Withholding Obligations.** Unless prohibited by the terms of a Stock Award Agreement, the Company may, in its sole discretion, satisfy any federal, state or local tax withholding obligation relating to a Stock Award by any of the following means or by a combination of such means: (i) causing the Participant to tender a cash payment; (ii) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to the Participant in connection with the Stock Award; *provided, however*, that no shares of Common Stock are withheld with a value exceeding the minimum amount of tax required to be withheld by law (or such lesser amount as may be necessary to avoid classification of the Stock Award as a liability for financial accounting purposes); (iii) withholding cash from a Stock Award settled in cash; (iv) withholding payment from any amounts otherwise payable to the Participant; or (v) by such other method as may be set forth in the Stock Award Agreement.

(i) **Electronic Delivery/Electronic Stock Records.** Any reference herein to a "written" agreement or document will include any agreement or document delivered electronically or posted on the Company's intranet (or other shared electronic medium controlled by the Company to which the Participant has access). In addition, the Board may from time-to-time adopt the use of software or other electronic means for the issuance of stock certificates, including but not limited to *carta.com*, and such software or electronic means may be used for Stock Awards.

(j) **Deferrals.** To the extent permitted by applicable law, the Board, in its sole discretion, may determine that the delivery of Common Stock or the payment of cash, upon the exercise, vesting or settlement of all or a portion of any Stock Award may be deferred and may establish programs and procedures for deferral elections to be made by Participants. Deferrals by Participants will be made in accordance with Section 409A of the Code. Consistent with Section 409A of the Code, the Board may provide for distributions while a Participant is still an employee or otherwise providing services to the Company. The Board is authorized to make deferrals of Stock Awards and determine when, and in what annual percentages, Participants may receive payments, including lump sum payments, following the Participant's termination of Continuous Service, and implement such other terms and conditions consistent with the provisions of the Plan and in accordance with applicable law.

(k) **Compliance with Section 409A of the Code.** To the extent that the Board determines that any Stock Award granted hereunder is subject to Section 409A of the Code, the Stock Award Agreement evidencing such Stock Award shall incorporate the terms and conditions necessary to avoid the consequences specified in Section 409A(a)(1) of the Code. To the extent applicable, the Plan and Stock Award Agreements shall be interpreted in accordance with Section 409A of the Code. Notwithstanding anything to the contrary in the Plan (and unless the Stock Award Agreement specifically provides otherwise), if the shares of Common Stock are publicly traded, and if a Participant holding a Stock Award that constitutes “deferred compensation” under Section 409A of the Code is a “specified employee” for purposes of Section 409A of the Code, no distribution or payment of any amount that is due because of a “separation from service” (as defined in Section 409A of the Code without regard to alternative definitions thereunder) will be issued or paid before the date that is six months following the date of such Participant’s “separation from service” (as defined in Section 409A of the Code without regard to alternative definitions thereunder) or, if earlier, the date of the Participant’s death, unless such distribution or payment can be made in a manner that complies with Section 409A of the Code, and any amounts so deferred will be paid in a lump sum on the day after such six month period elapses, with the balance paid thereafter on the original schedule.

(l) **Repurchase Limitation.** The terms of any repurchase right will be specified in the Stock Award Agreement. The repurchase price for vested shares of Common Stock will be the Fair Market Value of the shares of Common Stock on the date of repurchase. The repurchase price for unvested shares of Common Stock will be the lower of (i) the Fair Market Value of the shares of Common Stock on the date of repurchase or (ii) their original purchase price. However, the Company will not exercise its repurchase right until at least six months (or such longer or shorter period of time necessary to avoid classification of the Stock Award as a liability for financial accounting purposes) have elapsed following delivery of shares of Common Stock subject to the Stock Award, unless otherwise specifically provided by the Board.

9. ADJUSTMENTS UPON CHANGES IN COMMON STOCK; OTHER CORPORATE EVENTS.

(a) **Capitalization Adjustments.** In the event of a Capitalization Adjustment, the Board will appropriately and proportionately adjust: (i) the class(es) and maximum number of securities subject to the Plan pursuant to Section 3(a), (ii) the class(es) and maximum number of securities that may be issued pursuant to the exercise of Incentive Stock Options pursuant to Section 3(c), and (iii) the class(es) and number of securities and price per share of stock subject to outstanding Stock Awards. The Board will make such adjustments, and its determination will be final, binding and conclusive.

(b) **Dissolution or Liquidation.** Except as otherwise provided in the Stock Award Agreement, in the event of a dissolution or liquidation of the Company, all outstanding Stock Awards (other than Stock Awards consisting of vested and outstanding shares of Common Stock not subject to a forfeiture condition or the Company’s right of repurchase) will terminate immediately prior to the completion of such dissolution or liquidation, and the shares of Common Stock subject to the Company’s repurchase rights or subject to a forfeiture condition may be repurchased or reacquired by the Company notwithstanding the fact that the holder of such Stock Award is providing Continuous Service, *provided, however*, that the Board may, in its sole discretion, cause some or all Stock Awards to become fully vested, exercisable and/or no longer subject to repurchase or forfeiture (to the extent such Stock Awards have not previously expired or terminated) before the dissolution or liquidation is completed but contingent on its completion.

(c) **Corporate Transaction.** The following provisions will apply to Stock Awards in the event of a Corporate Transaction unless otherwise provided in the instrument evidencing the Stock Award or any other written agreement between the Company or any Affiliate and the Participant or unless otherwise expressly provided by the Board at the time of grant of a Stock Award. In the event of a Corporate Transaction, then, notwithstanding any other provision of the Plan, the Board may take one or more of the following actions with respect to Stock Awards, contingent upon the closing or completion of the Corporate Transaction:

(i) arrange for the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) to assume or continue the Stock Award or to substitute a similar stock award for the Stock Award (including, but not limited to, an award to acquire the same consideration paid to the stockholders of the Company pursuant to the Corporate Transaction);

(ii) arrange for the assignment of any reacquisition or repurchase rights held by the Company in respect of Common Stock issued pursuant to the Stock Award to the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company);

(iii) accelerate the vesting, in whole or in part, of the Stock Award (and, if applicable, the time at which the Stock Award may be exercised) to a date prior to the effective time of such Corporate Transaction as the Board determines (or, if the Board does not determine such a date, to the date that is five days prior to the effective date of the Corporate Transaction), with such Stock Award terminating if not exercised (if applicable) at or prior to the effective time of the Corporate Transaction; *provided, however*, that the Board may require Participants to complete and deliver to the Company a notice of exercise before the effective date of a Corporate Transaction, which exercise is contingent upon the effectiveness of such Corporate Transaction;

(iv) arrange for the lapse, in whole or in part, of any reacquisition or repurchase rights held by the Company with respect to the Stock Award;

(v) cancel or arrange for the cancellation of the Stock Award, to the extent not vested or not exercised prior to the effective time of the Corporate Transaction, in exchange for such cash consideration (including no consideration) as the Board, in its sole discretion, may consider appropriate; and

(vi) make a payment, in such form as may be determined by the Board equal to the excess, if any, of (A) the value of the property the Participant would have received upon the exercise of the Stock Award immediately prior to the effective time of the Corporate Transaction, over (B) any exercise price payable by such holder in connection with such exercise. For clarity, this payment may be zero (\$0) if the value of the property is equal to or less than the exercise price. Payments under this provision may be delayed to the same extent that payment of consideration to the holders of the Company's Common Stock in connection with the Corporate Transaction is delayed as a result of escrows, earn outs, holdbacks or any other contingencies.

The Board need not take the same action or actions with respect to all Stock Awards or portions thereof or with respect to all Participants. The Board may take different actions with respect to the vested and unvested portions of a Stock Award.

(d) **Change in Control.** A Stock Award may be subject to additional acceleration of vesting and exercisability upon or after a Change in Control as may be provided in the Stock Award Agreement for such Stock Award or as may be provided in any other written agreement between the Company or any Affiliate and the Participant, but in the absence of such provision, no such acceleration will occur.

10. PLAN TERM; EARLIER TERMINATION OR SUSPENSION OF THE PLAN.

(a) **Plan Term.** The Board may suspend or terminate the Plan at any time. Unless terminated sooner by the Board, the Plan will automatically terminate on the day before the 10th anniversary of the earlier of (i) the date the Plan is adopted by the Board, or (ii) the date the Plan is approved by the stockholders of the Company. No Stock Awards may be granted under the Plan while the Plan is suspended or after it is terminated.

(b) **No Impairment of Rights.** Suspension or termination of the Plan will not impair rights and obligations under any Stock Award granted while the Plan is in effect except with the written consent of the affected Participant or as otherwise permitted in the Plan.

11. EFFECTIVE DATE OF PLAN.

This Plan will become effective on the Effective Date.

12. CHOICE OF LAW.

The laws of the State of Delaware will govern all questions concerning the construction, validity and interpretation of this Plan, without regard to that state's conflict of laws rules.

13. DEFINITIONS. As used in the Plan, the following definitions will apply to the capitalized terms indicated below:

(a) **"Affiliate"** means, at the time of determination, any "parent" or "majority-owned subsidiary" of the Company, as such terms are defined in Rule 405. The Board will have the authority to determine the time or times at which "parent" or "majority-owned subsidiary" status is determined within the foregoing definition.

(b) **"Board"** means the Board of Directors of the Company.

(c) **"Capitalization Adjustment"** means any change that is made in, or other events that occur with respect to, the Common Stock subject to the Plan or subject to any Stock Award after the Effective Date without the receipt of consideration by the Company through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, stock split, reverse stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure, or any similar equity restructuring transaction, as that term is used in Statement of Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto). Notwithstanding the foregoing, the conversion of any convertible securities of the Company will not be treated as a Capitalization Adjustment.

(d) “Cause” will have the meaning ascribed to such term in any written agreement between the Participant and the Company defining such term and, in the absence of such agreement, such term means, with respect to a Participant, the occurrence of any of the following events: (i) such Participant’s commission of any felony or any crime involving fraud, dishonesty or moral turpitude under the laws of the United States or any state thereof; (ii) such Participant’s attempted commission of, or participation in, a fraud or act of dishonesty against the Company; (iii) such Participant’s intentional, material violation of any contract or agreement between the Participant and the Company or of any statutory duty owed to the Company; (iv) such Participant’s unauthorized use or disclosure of the Company’s confidential information or trade secrets; or (v) such Participant’s gross misconduct. The determination that a termination of the Participant’s Continuous Service is either for Cause or without Cause will be made by the Company, in its sole discretion. Any determination by the Company that the Continuous Service of a Participant was terminated with or without Cause for the purposes of outstanding Stock Awards held by such Participant will have no effect upon any determination of the rights or obligations of the Company or such Participant for any other purpose.

(e) “Change in Control” means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) any Exchange Act Person becomes the Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company’s then outstanding securities other than by virtue of a merger, consolidation or similar transaction. Notwithstanding the foregoing, a Change in Control will not be deemed to occur (A) on account of the acquisition of securities of the Company directly from the Company, (B) on account of the acquisition of securities of the Company by an investor, any affiliate thereof or any other Exchange Act Person that acquires the Company’s securities in a transaction or series of related transactions the primary purpose of which is to obtain financing for the Company through the issuance of equity securities or (C) solely because the level of Ownership held by any Exchange Act Person (the “Subject Person”) exceeds the designated percentage threshold of the outstanding voting securities as a result of a repurchase or other acquisition of voting securities by the Company reducing the number of shares outstanding, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of voting securities by the Company, and after such share acquisition, the Subject Person becomes the Owner of any additional voting securities that, assuming the repurchase or other acquisition had not occurred, increases the percentage of the then outstanding voting securities Owned by the Subject Person over the designated percentage threshold, then a Change in Control will be deemed to occur;

(ii) there is consummated a merger, consolidation or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such merger, consolidation or similar transaction, the stockholders of the Company immediately prior thereto do not Own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving Entity in such merger, consolidation or similar transaction or (B) more than 50% of the combined outstanding voting power of the parent of the surviving Entity in such merger, consolidation or similar transaction, in each case in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such transaction; or

(iii) there is consummated a sale, lease, exclusive license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries, other than a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries to an Entity, more than 50% of the combined voting power of the voting securities of which are Owned by stockholders of the Company in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such sale, lease, license or other disposition.

Notwithstanding the foregoing definition or any other provision of this Plan, (A) the term Change in Control will not include a sale of assets, merger or other transaction effected exclusively for the purpose of changing the domicile of the Company, (B) the term Change in Control will not include a sale, lease, exclusive license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries if all or substantially all of the proceeds from any such sale, lease, exclusive license or other disposition will be, in the discretion of the Board, retained by the Company and/or its Subsidiaries for the purpose of reinvestment into a new or existing line of business, expansion of the Company's business activities, or for any other purpose deemed advisable by the Board, and (C) the definition of Change in Control (or any analogous term) in an individual written agreement between the Company or any Affiliate and the Participant will supersede the foregoing definition with respect to Stock Awards subject to such agreement; *provided, however*, that if no definition of Change in Control or any analogous term is set forth in such an individual written agreement, the foregoing definition will apply.

- (f) “**Code**” means the Internal Revenue Code of 1986, as amended, including any applicable regulations and guidance thereunder.
- (g) “**Committee**” means a committee of one or more Directors to whom authority has been delegated by the Board in accordance with Section 2(c).
- (h) “**Common Stock**” means the common stock of the Company.
- (i) “**Company**” means Exodus Movement, Inc., a Delaware corporation.

(j) “**Consultant**” means any person, including an advisor, who is (i) engaged by the Company or an Affiliate to render consulting or advisory services and is compensated for such services, or (ii) serving as a member of the board of directors of an Affiliate and is compensated for such services. However, service solely as a Director, or payment of a fee for such service, will not cause a Director to be considered a “Consultant” for purposes of the Plan.

(k) “**Continuous Service**” means that the Participant's service with the Company or an Affiliate, whether as an Employee, Director or Consultant, is not interrupted or terminated. A change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Director or Consultant or a change in the Entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant's service with the Company or an Affiliate, will not terminate a Participant's Continuous Service; *provided, however*, that if the Entity for which a Participant is rendering services ceases to qualify as an Affiliate, as determined by the Board in its sole discretion, such Participant's Continuous Service will be considered to have terminated on the date such Entity ceases to qualify as an Affiliate. For example, a change in status from an Employee of the Company to a Consultant of an Affiliate or to a Director will not constitute an interruption of Continuous Service. To the extent permitted by law, the Board or the chief executive officer of the Company, in that party's sole discretion, may determine whether Continuous Service will be considered interrupted in the case of (i) any leave of absence approved by the Board or chief executive officer, including sick leave, military leave or any other personal leave, or (ii) transfers between the Company, an Affiliate, or their successors. Notwithstanding the foregoing, a leave of absence will be treated as Continuous Service for purposes of vesting in a Stock Award only to such extent as may be provided in the Company's leave of absence policy, in the written terms of any leave of absence agreement or policy applicable to the Participant, or as otherwise required by law.

- (l) **“Corporate Transaction”** means the consummation, in a single transaction or in a series of related transactions, of any one or more of the following events:
- (i) a sale or other disposition of all or substantially all, as determined by the Board in its sole discretion, of the consolidated assets of the Company and its Subsidiaries;
 - (ii) a sale or other disposition of more than 50% of the outstanding securities of the Company;
 - (iii) a merger, consolidation or similar transaction following which the Company is not the surviving corporation; or
 - (iv) a merger, consolidation or similar transaction following which the Company is the surviving corporation but the shares of Common Stock outstanding immediately preceding the merger, consolidation or similar transaction are converted or exchanged by virtue of the merger, consolidation or similar transaction into other property, whether in the form of securities, cash or otherwise.
- (m) **“Director”** means a member of the Board.
- (n) **“Disability”** means, with respect to a Participant, the inability of such Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than twelve (12) months as provided in Sections 22(e)(3) and 409A(a)(2)(c)(i) of the Code, and will be determined by the Board on the basis of such medical evidence as the Board deems warranted under the circumstances.
- (o) **“Effective Date”** means the effective date of this Plan, which is the earlier of (i) the date that this Plan is first approved by the Company’s stockholders, and (ii) the date this Plan is adopted by the Board.
- (p) **“Employee”** means any person employed by the Company or an Affiliate. However, service solely as a Director, or payment of a fee for such services, will not cause a Director to be considered an “Employee” for purposes of the Plan.
- (q) **“Entity”** means a corporation, partnership, limited liability company or other entity.
- (r) **“Exchange Act”** means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.
- (s) **“Exchange Act Person”** means any natural person, Entity or “group” (within the meaning of Section 13(d) or 14(d) of the Exchange Act), except that “Exchange Act Person” will not include (i) the Company or any Subsidiary of the Company, (ii) any employee benefit plan of the Company or any Subsidiary of the Company or any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any Subsidiary of the Company, (iii) an underwriter temporarily holding securities pursuant to a registered public offering of such securities, (iv) an Entity Owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their Ownership of stock of the Company; or (v) any natural person, Entity or “group” (within the meaning of Section 13(d) or 14(d) of the Exchange Act) that, as of the Effective Date, is the Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company’s then outstanding securities.

- (t) **“Fair Market Value”** means, as of any date, the value of the Common Stock determined by the Board in compliance with Section 409A of the Code or, in the case of an Incentive Stock Option, in compliance with Section 422 of the Code.
- (u) **“Incentive Stock Option”** means an option granted pursuant to Section 5 of the Plan that is intended to be, and that qualifies as, an “incentive stock option” within the meaning of Section 422 of the Code.
- (v) **“Nonstatutory Stock Option”** means an option granted pursuant to Section 5 of the Plan that does not qualify as an Incentive Stock Option.
- (w) **“Officer”** means any person designated by the Company as an officer.
- (x) **“Option”** means an Incentive Stock Option or a Nonstatutory Stock Option to purchase shares of Common Stock granted pursuant to the Plan.
- (y) **“Option Agreement”** means a written agreement between the Company and an Optionholder evidencing the terms and conditions of an Option grant. Each Option Agreement will be subject to the terms and conditions of the Plan.
- (z) **“Optionholder”** means a person to whom an Option is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Option.
- (aa) **“Other Stock Award”** means an award based in whole or in part by reference to the Common Stock which is granted pursuant to the terms and conditions of Section 6(c).
- (bb) **“Other Stock Award Agreement”** means a written agreement between the Company and a holder of an Other Stock Award evidencing the terms and conditions of an Other Stock Award grant. Each Other Stock Award Agreement will be subject to the terms and conditions of the Plan.
- (cc) **“Own,” “Owned,” “Owner,” “Ownership”** A person or Entity will be deemed to “Own,” to have “Owned,” to be the “Owner” of, or to have acquired “Ownership” of securities if such person or Entity, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power, which includes the power to vote or to direct the voting, with respect to such securities.
- (dd) **“Participant”** means a person to whom a Stock Award is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Stock Award.
- (ee) **“Plan”** means this 2019 Equity Incentive Plan.
- (ff) **“Restricted Stock Award”** means an award of shares of Common Stock which is granted pursuant to the terms and conditions of Section 6(a).

- (gg) “**Restricted Stock Award Agreement**” means a written agreement between the Company and a holder of a Restricted Stock Award evidencing the terms and conditions of a Restricted Stock Award grant. Each Restricted Stock Award Agreement will be subject to the terms and conditions of the Plan.
- (hh) “**Restricted Stock Unit Award**” means a right to receive shares of Common Stock which is granted pursuant to the terms and conditions of Section 6(b).
- (ii) “**Restricted Stock Unit Award Agreement**” means a written agreement between the Company and a holder of a Restricted Stock Unit Award evidencing the terms and conditions of a Restricted Stock Unit Award grant. Each Restricted Stock Unit Award Agreement will be subject to the terms and conditions of the Plan.
- (jj) “**Rule 405**” means Rule 405 promulgated under the Securities Act.
- (kk) “**Rule 701**” means Rule 701 promulgated under the Securities Act.
- (ll) “**Securities Act**” means the Securities Act of 1933, as amended.
- (mm) “**Stock Appreciation Right**” or “**SAR**” means a right to receive the appreciation on Common Stock that is granted pursuant to the terms and conditions of Section 5.
- (nn) “**Stock Appreciation Right Agreement**” means a written agreement between the Company and a holder of a Stock Appreciation Right evidencing the terms and conditions of a Stock Appreciation Right grant. Each Stock Appreciation Right Agreement will be subject to the terms and conditions of the Plan.
- (oo) “**Stock Award**” means any right to receive Common Stock granted under the Plan, including an Incentive Stock Option, a Nonstatutory Stock Option, a Restricted Stock Award, a Restricted Stock Unit Award, a Stock Appreciation Right or any Other Stock Award.
- (pp) “**Stock Award Agreement**” means a written agreement between the Company and a Participant evidencing the terms and conditions of a Stock Award grant. Each Stock Award Agreement will be subject to the terms and conditions of the Plan.
- (qq) “**Subsidiary**” means, with respect to the Company, (i) any corporation of which more than 50% of the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, stock of any other class or classes of such corporation will have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, Owned by the Company, and (ii) any partnership, limited liability company or other entity in which the Company has a direct or indirect interest (whether in the form of voting or participation in profits or capital contribution) of more than 50%.
- (rr) “**Ten Percent Stockholder**” means a person who Owns (or is deemed to Own pursuant to Section 424(d) of the Code) stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or any Affiliate.

API AGREEMENT

THIS API AGREEMENT, dated as of _____, (this "Agreement"), is made by and between EXODUS MOVEMENT, INC., a Delaware corporation ("Exodus"), and [NAME OF PROVIDER], a _____ corporation d/b/a _____ ("Provider").

RECITALS

A. Exodus is a software company that has developed the Exodus Wallet (the "Exodus Unhosted Wallet"), which is an unhosted and non-custodial software wallet for multiple types of cryptocurrencies and cryptographic assets (collectively, "crypto assets"). The Exodus Unhosted Wallet can currently be downloaded from the *exodus.io* website, the iOS app store, and the Google Play store.

B. Provider currently provides software services to permit a user of an unhosted and non-custodial crypto asset software wallet to exchange one crypto asset for another crypto asset (the "Services"). Provider provides an application program interface to permit the Services to be accessible for users of unhosted wallet software (the "API").

C. Exodus and Provider desire, under the terms and conditions of this Agreement, to integrate the API into the Exodus Unhosted Wallet, with respect to users of the Exodus Unhosted Wallet who are located in the United States and its territories.

AGREEMENT

NOW, THEREFORE, in consideration of the recitals, mutual covenants and agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. *Term and Termination.*

(a) *Term.* The term of this Agreement shall commence on the date of this Agreement and shall continue until the date of termination of this Agreement in accordance with Section 1(b) (the "Term").

(b) *Termination.*

(i) This Agreement may be terminated for any reason by any party upon at least seven (7) days advance written notice to the other party.

(ii) This Agreement may be immediately terminated by either party in the event of (i) a breach in the terms of this Agreement that goes uncured for seven (7) days after written notice has been provided to the breaching party of such breach, (ii) grossly negligent, reckless or willful misconduct of the other party, (iii) the violation of any applicable law or regulation by the other party, (iv) the insolvency, bankruptcy or receivership of any party, or (v) in the event that the Services are prohibited by any applicable regulatory authority, statute or regulation.

(c) ***Effect of Termination.***

(i) ***API Integration Fees Owed by Provider.*** Provider will pay, in BTC, to Exodus all API Integration Fees (as defined in Section 3(c) (i)) due under this Agreement, but not yet paid as of the date of such termination. For the avoidance of doubt, in the event that this Agreement is terminated prior to the end of any calendar month, the final payment of API Integration Fees by Provider to Exodus will include an amount equal to the Pro Rata Subscription Fee Amount (as defined in Section 3(c)(viii)).

(ii) ***Miscellaneous.*** Termination of this Agreement by any party shall not act as a waiver of any breach of this Agreement and shall not act as a release of any party from any liability for breach of such party's obligations under this Agreement. Neither party shall be liable to the other for damages of any kind solely as a result of terminating this Agreement in accordance with its terms, and termination of this Agreement by a party shall be without prejudice to any other right or remedy of such party under this Agreement or applicable law.

Section 2. *Duties; Representations and Warranties.*

(a) ***Duties of Exodus.*** During the Term of this Agreement, Exodus shall promptly respond to any inquiries from Provider with respect to the integration of the API in the Exodus Unhosted Wallet. Subject to the requirements of Section 2(f), Exodus is under no obligation to utilize the API in the Exodus Unhosted Wallet, nor require, request or encourage any User (as defined in Section 3(c)(xi)) to utilize the API in the Exodus Unhosted Wallet, during the Term of this Agreement. In integrating the API into the Exodus Unhosted Wallet, Exodus shall comply with all applicable statutes and regulations, including, but not limited to, any applicable regulations of, or published guidance from, the U.S. Financial Crimes Enforcement Network ("FinCEN") or any other applicable regulatory authority.

(b) ***Duties of Provider.*** During the Term of this Agreement, Provider shall provide the API to Exodus to permit the Services to be incorporated into the Exodus Unhosted Wallet, with respect to users of the Exodus Wallet located inside of the United States and its territories. Provider shall promptly respond to any inquiries from Exodus with respect to the API and Services. Provider shall implement systems and procedures to ensure that, subject to the restrictions of applicable laws and regulations, any User of the Services have their Transactions promptly (i) accepted and completed or (ii) rejected and refunded. In providing the API and the Services, Provider shall comply with all applicable statutes and regulations, including, but not limited to, any applicable regulations of, or published guidance from, FinCEN or any other applicable regulatory authority.

(c) **Representations of Exodus.** Exodus represents and warrants to Provider that (i) Exodus is organized, validly existing and in good standing under the laws of the State of Delaware, with all requisite corporate power and authority to enter into this Agreement and conduct its business as it is now being conducted; (ii) the names and titles of the directors, executive officers, and stockholders that own at least 10% of shares of voting stock of Exodus, as of the date of this Agreement, are attached as **Appendix 1**; (iii) Exodus is not identified on any sanctions list maintained by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"), including the Specially Designated Nationals and Blocked Persons List, Foreign Sanctions Evaders List, and the Sectoral Sanctions Identifications List (collectively, the "OFAC Lists"); (iv) no director, officer, employee, or holder of equity or debt securities of Exodus is identified on, or is 50% or more owned, directly or indirectly, by any party identified on, any of the OFAC Lists; (v) Exodus has implemented sanctions compliance procedures reasonably designed to ensure compliance with OFAC sanctions regulations; (vi) Exodus has all licenses, franchises, permits and other governmental authorizations that are legally required to enable it to conduct its business as presently conducted in all material respects; and (vii) copy of the Certificate of Incorporation of Exodus, as currently in full force and effect, is attached as **Appendix 3**.

(d) **Representations of Provider.** Provider represents and warrants to Exodus that (i) Provider is organized, validly existing and in good standing under the laws of _____, with all requisite corporate power and authority to enter into this Agreement and conduct its business as it is now being conducted, (ii) the names and titles of the directors, executive officers, and stockholders that own at least 10% of shares of voting stock of Provider, as of the date of this Agreement, are attached as **Appendix 2**; (iii) Provider is not identified on any of the OFAC Lists; (iv) no director, officer, employee, or holder of equity or debt securities of Provider is identified on, or is 50% or more owned, directly or indirectly, by any party that is identified on any of the OFAC Lists, (v) Provider will comply with all applicable sanctions and export control laws and will not provide the Services under this Agreement to any parties that, at the time such Services are provided, are (A) located or resident in any country or territory that is subject to a U.S. trade embargo or other applicable sanctions prohibiting such services, including but not limited to, the Crimea region of Ukraine, Cuba, Iran, North Korea, and Syria or (B) identified on any of the OFAC Lists or other applicable sanctions list prohibiting such services; (vi) Provider has implemented sanctions compliance procedures reasonably designed to ensure compliance with OFAC sanctions regulations and other applicable sanctions laws; (vii) Provider has all licenses, franchises, permits and other governmental authorizations that are legally required to enable it to conduct its business as presently conducted in all material respects; and (viii) a copy of the Articles of Incorporation of Provider, as currently in full force and effect, is attached as **Appendix 4**.

(e) **Independent Contractor Relationship.** The relationship between the parties to this Agreement shall be that of independent contractors. Nothing in this Agreement shall be construed to create the relationship of employer and employee, a joint venture, a partnership, or joint association between the parties to this Agreement and or any of their respective affiliates. Exodus shall solely be responsible for the payment of income taxes applicable to the compensation received from Provider under Section 3.

(f) **Preferred API for Transactions Between Preferred Crypto Assets.** During the Term of this Agreement, solely with respect to Transactions between Preferred Crypto Assets (as defined in Section 3(c)(vii)), Exodus shall integrate Provider's API into the Exodus Unhosted Wallet so that Provider's API is the sole and exclusive API for Preferred Crypto Assets available to Users who are located in the United States and its territories; provided, however, that in the event that Provider's API cannot process one or more Transactions between certain types of Preferred Crypto Assets, Exodus may utilize another provider's API to complete such Transactions that cannot be processed by Provider. For avoidance of doubt, the exclusivity set forth in this Section 2(f) does not apply to Transactions made by Users of the Exodus Wallet who are located outside of the United States and its territories.

Section 3. API Integration Fees to Exodus.

(a) **Subscription Fee.** In consideration for the integration by Exodus of the API into the Exodus Unhosted Wallet software, Provider shall pay to Exodus a semi-monthly subscription fee of \$_____ (the "Subscription Fee"), which shall be paid by Provider in arrears, in BTC, on (i) the fifteenth (15th) day of each calendar month and (ii) the last day of each calendar month. Provider shall pay an initial \$_____ payment to Exodus on _____, for the pro-rated portion of the Subscription Fee for the time period of _____ to _____. The first full Subscription Fee payment under this Agreement shall be paid by Provider on _____.

(b) **Class A Transaction Fees.** In consideration for the integration by Exodus of the API into the Exodus Unhosted Wallet software, Provider shall pay to Exodus the Class A Transaction Fee (as defined in Section 3(c)(iv)) for each Class A Transaction (as defined in Section 3(c)(vi)). Provider shall provide Exodus with a software interface to (i) view the accrual of the Class A Transaction Fees on a real-time basis and (ii) permit Exodus to receive payment, in BTC, for any accrued Class A Transaction Fees, no later than two (2) days after the date of completion of the corresponding Transactions.

(c) **Definitions.**

- (i) "API Integration Fees" means, collectively, Subscription Fees and Class A Transaction Fees.
- (ii) "BTC" means Bitcoin cryptocurrency.

(iii) "Class A Transaction Fee" means, collectively, for each Transaction of a Class A Crypto Asset, an amount equal to (x) 0.02 multiplied by (y) the Initial BTC Value.

(iv) "Class A Crypto Asset" means, collectively, the following crypto assets: Bitcoin (BTC), Bitcoin Cash (BCH), Bitcoin SV (BSV), Bitcoin Gold (BTG), Ethereum (ETH), Ethereum Classic (ETC), Litecoin (LTC), and Paxos Standard (PAX).

(v) "Class A Transaction" means each Transaction solely between Class A Crypto Assets.

(vi) "Initial BTC Value" means the value, in BTC, of the Class A Crypto Asset sent to Provider by a User, at the time the Class A Crypto Asset was received by Provider from such User.

(vii) "Preferred Crypto Asset" means, collectively, all crypto assets except (A) Class A Crypto Assets and (B) Monero (XMR) cryptocurrency.

(viii) "Pro Rata Subscription Fee Amount" means (x) the amount of the Subscription Fee multiplied by (y) the amount of days in the calendar month up to the date of termination of this Agreement divided by (z) the total number of days in the calendar month.

(ix) "Transaction" means a transaction of Services between Provider and a User, effected through the API, in which (i) User sends a crypto asset from User's Exodus Unhosted Wallet to Provider, and (ii) Provider sends, in response, a different type of crypto asset to User's Exodus Unhosted Wallet.

(x) "User" means a user of the Services of Provider through the API in the Exodus Unhosted Wallet.

Section 4. Intellectual Property Rights

(a) **License to Use API In Exodus Unhosted Wallet.** Subject to the terms and conditions of this Agreement, Provider grants to Exodus a limited, royalty-free, paid-up, worldwide, non-exclusive, and non-transferable license, during the Term of this Agreement, to (i) execute and use the API in the Exodus Unhosted Wallet software application and (ii) use Provider's copyrighted work embodied in the API.

(b) **Exodus - Retention of Rights.** Exodus reserves all rights, title, and interest in and to any materials produced by Exodus, including, without limitation, all patent rights, copyrights, trademarks, trade secrets, and all other intellectual property rights. Exodus shall retain all right, title and interest in the Exodus Unhosted Wallet, and shall own all improvements thereon that are developed by Exodus in connection with this Agreement. Provider shall not acquire any rights, title, or interest, express or implied, to the Exodus Unhosted Wallet or any other software or service produced by Exodus, nor to any derivative works, modifications, enhancements, improvements, translations or other alterations thereto, and nothing in this Agreement shall be deemed to grant Provider any right, title or interest in the Exodus Unhosted Wallet, nor to any derivative works, modifications, enhancements, improvements, translations or other alterations thereto ("Exodus Derivative Works"). To the extent any assignment is necessary to evidence the intent of this section, Provider agrees to assign to Exodus all of its right, title and interest in and to such Exodus Derivative Works, and any part thereof, and in and to all copyrights, patents, and other proprietary rights Provider may have in such Exodus Derivative Works.

(c) **Provider - Retention of Rights.** Provider reserves all rights, title, and interest in and to any materials produced by Provider including, without limitation, all patent rights, copyrights, trademarks, trade secrets, and all other intellectual property rights. Provider shall retain all right, title and interest in the API, and shall own all improvements thereon that are developed by Provider in connection with this Agreement. Other than the license granted during the Term of this Agreement, as set forth in Section 4(a), Exodus shall not acquire any rights, title, or interest, express or implied, to the API or any software or service produced by Provider, and nothing in this Agreement shall be deemed to grant Exodus any right, title or interest in the API, nor to any derivative works, modifications, enhancements, improvements, translations or other alterations thereto ("Provider Derivative Works"). To the extent any assignment is necessary to evidence the intent of this section, Exodus agrees to assign to Provider all of its right, title, and interest in and to such Provider Derivative Works, and any part thereof, and in and to all copyrights, patents and other proprietary rights they may have in such Provider Derivative Works.

Section 5. Confidentiality

(a) **General.** The Receiving Party (as defined in Section 5(b)(iii)) shall not disclose any Confidential Information (as defined in Section 5(b)(i)) to any party other than to the Representatives (as defined in Section 5(b)(iv)) of the Receiving Party who have a specific need to know the information in connection with the terms and conditions of this Agreement. If the Receiving Party is required by law, court order, or governmental authority to produce Confidential Information of the Disclosing Party (as defined in Section 5(b)(ii)), the Receiving Party must immediately notify the Disclosing Party of that obligation prior to its disclosure, unless such notification is prohibited by applicable law.

(b) **Definitions.**

(i) "Confidential Information" means any information (whether oral, written, electronic or otherwise) provided by the Disclosing Party to the Receiving Party that (A) relates to the Disclosing Party's business, (B) is not known generally to the industry in which the Disclosing Party may be engaged, and (C) is not otherwise generally available to the public. Confidential Information includes, but is not limited to, any and all of the Disclosing Party's intellectual property (including, but not limited to, patents, trademarks and copyrights), trade secrets, proprietary data or information relating to past present or future business and products; price lists, customer lists, customer addresses, customer telephone numbers and customer files; information pertaining to processes, procedures or standards; manuals, business strategies, records, drawings, specifications, or designs; financial information, whether or not in writing; and any other information or data which the Disclosing Party advises the Receiving Party in writing to be treated as confidential information. Confidential Information does not include information that (I) is or becomes publicly available other than as a result of a disclosure by the Receiving Party or the Receiving Party's employees, (II) is or becomes available to the Receiving Party on a non-confidential basis from a source (other than the Disclosing Party) that, to the best of the Receiving Party's knowledge after due inquiry, is not prohibited from disclosing such information to the Receiving Party by a legal, contractual or fiduciary obligation to the Disclosing Party, (III) is independently developed by the Receiving Party without use of the Confidential Information, or (IV) is already known by the Receiving Party at the time of this Agreement.

(ii) "Disclosing Party." means any party to this Agreement who discloses information to the other party to this Agreement.

(iii) "Receiving Party." means any party to this Agreement who receives information from the other party to this Agreement.

(iv) "Representatives" means a party's directors, officers, employees, attorneys, accountants, financial advisors, and consultants.

Section 6. Limitation of Liability. NO PARTY TO THIS AGREEMENT WILL BE LIABLE TO THE OTHER PARTY FOR CONSEQUENTIAL, PUNITIVE, OR EXEMPLARY DAMAGES OF ANY KIND (INCLUDING, WITHOUT LIMITATION, LOST REVENUES OR PROFITS, LOSS OF USE, OR LOSS OF GOODWILL OR REPUTATION) WITH RESPECT TO ANY CLAIMS BASED ON CONTRACT, TORT, OR OTHERWISE (INCLUDING NEGLIGENCE AND STRICT LIABILITY) ARISING OUT OF THIS AGREEMENT, REGARDLESS OF WHETHER THE PARTY LIABLE OR ALLEGEDLY LIABLE WAS ADVISED, HAD OTHER REASON TO KNOW, OR IN FACT KNEW OF THE POSSIBILITY THEREOF.

Section 7. *Miscellaneous.*

(a) *Notices.* All notices, requests, demands or other communications hereunder shall be in writing and shall be deemed to have been duly given (i) when personally delivered, (ii) if sent by e-mail, on the date that the e-mail is received by the recipient in legible form or (iii) if sent by international delivery service, on the Business Day that it is delivered or its delivery is attempted, in any case addressed to the parties at the following addresses or at such other address as shall be given in like manner by any party to the other:

If to Exodus:

Mr. Jon Paul Richardson
Chief Executive Officer
Exodus Movement, Inc.
15418 Weir Street, No. 333
Omaha, NE 68137
E-MAIL: jp@exodus.io

If to Provider:

[Name]
[Title]
[Name of Provider]
[Address]
E-MAIL: _____

(b) *Governing Law.* This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware without reference to conflicts of laws principles thereof. Each party hereby waives trial by jury in any court action or proceeding to which they may be parties, arising out of, in connection with or in any way pertaining to, this Agreement.

(c) *Entire Agreement; Termination of Prior Agreements.* This Agreement contains the entire understanding of the parties with respect to activities contemplated by this Agreement. This Agreement supersedes and terminates all prior agreements and understandings between the parties to this Agreement, whether written or oral.

(d) *Survival.* Sections 1(c), 2(e), 4, 5, 6 and 7 shall survive the termination of this Agreement.

(e) *Miscellaneous.* This Agreement may not be assigned by any party without the written consent of all of the parties hereto. Except as otherwise expressly provided herein, all of the terms and provisions of this Agreement shall be binding upon, shall inure to the benefit of and shall be enforceable by the respective successors and permitted assigns of the parties hereto. If any provision of this Agreement is held invalid or unenforceable in accordance with its express terms in any legal proceeding, such invalidity or unenforceability shall not affect the validity and enforceability of any other part of this Agreement. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute one agreement which is binding upon all parties hereto, notwithstanding that all parties are not signatories to the same counterpart. This Agreement may be executed by electronic, facsimile or scanned signatures which shall be deemed to have the same force and effect as an original signature. This Agreement may be amended only by a written agreement signed by all of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered on the date first above written.

EXODUS MOVEMENT, INC.

[NAME OF PROVIDER]

By:

Jon Paul Richardson
Chief Executive Officer

By:

[Name]
[Title]

*(Signature Page to
API Agreement)*

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Appendix 1

Exodus Movement, Inc.

List of Directors, Executive Officers and
Significant Stockholders (holding at least 10% of equity shares)

DIRECTORS AND EXECUTIVE OFFICERS	
Title	Name
Director	Jon Paul Richardson
Director	Daniel Jason Castagnoli
Chief Executive Officer	Jon Paul Richardson
President	Daniel Jason Castagnoli
Chief Financial Officer and Secretary	James Gernetzke
Chief Operating Officer	Sebastian Milla

STOCKHOLDERS HOLDING AT LEAST 10% OF EQUITY SHARES	
Name of Stockholder	
Jon Paul Richardson	
Daniel Jason Castagnoli	

Appendix 2

[Name of Provider]

List of Directors, Executive Officers and
Significant Shareholders (holding at least 10% of voting equity shares)

DIRECTORS AND EXECUTIVE OFFICERS	
Title	Name

SHAREHOLDERS HOLDING AT LEAST 10% OF VOTING EQUITY SHARES
Name of Shareholder

Appendix 3

Certificate of Incorporation of
Exodus Movement, Inc.

Appendix 4

Articles of Incorporation of

API AGREEMENT

THIS API AGREEMENT, dated as of _____, 2020 (this "Agreement"), is made by and between **PROPER TRUST AG**, a Swiss corporation located in the Canton of Zug ("Swiss Sub"), and **[NAME OF PROVIDER]**, a _____ corporation d/b/a _____ ("Provider").

RECITALS

A. Swiss Sub is a wholly-owned subsidiary of Exodus Movement, Inc., a Delaware corporation ("Exodus US"). Exodus US is a software company that has developed the Exodus Wallet (the "Exodus Unhosted Wallet"), which is an unhosted and non-custodial software wallet for multiple types of cryptocurrencies and cryptographic assets (collectively, "crypto assets"). The Exodus Unhosted Wallet can currently be downloaded from the *exodus.io* website, the iOS app store, and the Google Play store.

B. Provider currently provides software services to permit a user of an unhosted and non-custodial crypto asset software wallet to exchange one crypto asset for another crypto asset (the "Services"). Provider provides an application program interface to permit the Services to be accessible for users of unhosted wallet software (the "API").

C. Swiss Sub and Provider desire, under the terms and conditions of this Agreement, to integrate the API into the Exodus Unhosted Wallet, solely with respect to users of the Exodus Unhosted Wallet who are located outside of the United States and its territories.

AGREEMENT

NOW, THEREFORE, in consideration of the recitals, mutual covenants and agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. Term and Termination.

(a) **Term.** The term of this Agreement shall commence on the date of this Agreement and shall continue until the date of termination of this Agreement in accordance with Section 1(b) (the "Term").

(b) Termination.

(i) This Agreement may be terminated for any reason by any party upon at least seven (7) days advance written notice to the other party.

(ii) This Agreement may be immediately terminated by either party in the event of (i) a breach in the terms of this Agreement that goes uncured for seven (7) days after written notice has been provided to the breaching party of such breach, (ii) grossly negligent, reckless or willful misconduct of the other party, (iii) the violation of any applicable law or regulation by the other party, (iv) the insolvency, bankruptcy or receivership of any party, or (v) in the event that the Services are prohibited by any applicable regulatory authority, statute or regulation.

(c) **Effect of Termination.** Provider will pay to Swiss Sub all API Integration Fees (as defined in [Section 3\(b\)\(i\)](#)) due under this Agreement but not yet paid as of the date of such termination, based upon Transactions (as defined in [Section 3\(b\)\(iv\)](#)) performed by Provider. Termination of this Agreement by any party shall not act as a waiver of any breach of this Agreement and shall not act as a release of any party from any liability for breach of such party's obligations under this Agreement. Neither party shall be liable to the other for damages of any kind solely as a result of terminating this Agreement in accordance with its terms, and termination of this Agreement by a party shall be without prejudice to any other right or remedy of such party under this Agreement or applicable law.

Section 2. Duties; Representations and Warranties.

(a) **Duties of Swiss Sub.** During the Term of this Agreement, Swiss Sub shall promptly respond to any inquiries from Provider with respect to the integration of the API in the Exodus Unhosted Wallet. Swiss Sub is under no obligation to utilize the API in the Exodus Unhosted Wallet, nor require, request or encourage any User (as defined in [Section 3\(b\)\(v\)](#)) to utilize the API in the Exodus Unhosted Wallet, during the Term of this Agreement. In integrating the API into the Exodus Unhosted Wallet, Swiss Sub shall comply with all applicable statutes, regulations, and published guidance from any applicable regulatory authority.

(b) **Duties of Provider.** During the Term of this Agreement, Provider shall provide the API to Swiss Sub and Exodus US to permit the Services to be incorporated into the Exodus Unhosted Wallet, solely with respect to users of the Exodus Unhosted Wallet located outside of the United States and its territories. Provider shall promptly respond to any inquiries from Swiss Sub with respect to the API and Services. Provider shall implement systems and procedures to ensure that, subject to the restrictions of applicable laws and regulations, any User of the Services have their Transactions promptly (i) accepted and completed or (ii) rejected and refunded. In providing the API and the Services, Provider shall comply with all applicable statutes, regulations, and published guidance from any applicable regulatory authority.

(c) **Representations of Swiss Sub.** Swiss Sub represents and warrants to Provider that (i) Swiss Sub is a wholly-owned subsidiary of Exodus US, (ii) Swiss Sub is organized, validly existing and in good standing under the laws of Switzerland, with all requisite power and authority to enter into this Agreement and conduct its business as it is now being conducted; (iii) the names and titles of the directors, executive officers, and shareholders that own at least 10% of shares of voting equity of Exodus US, as of the date of this Agreement, are attached as **Appendix 1**; (iv) Exodus US and Swiss Sub are not identified on any sanctions list maintained by the U.S. Department of the Treasury's Office of Foreign Assets Control ("**OFAC**"), including the Specially Designated Nationals and Blocked Persons List, Foreign Sanctions Evaders List, and the Sectoral Sanctions Identifications List (collectively, the "**OFAC Lists**"); (v) no director, officer, employee, or holder of equity or debt securities of Exodus US or Swiss Sub is identified on, or is 50% or more owned, directly or indirectly, by any party identified on, any of the OFAC Lists; (vi) Swiss Sub has implemented sanctions compliance procedures reasonably designed to ensure compliance with OFAC sanctions regulations and the sanctions requirements of the Swiss State Secretariat for Economic Affairs ("**SECO**"); (vii) Swiss Sub has all licenses, franchises, permits and other governmental authorizations that are legally required to enable it to conduct its business as presently conducted in all material respects; and (viii) copy of the Articles of Association of Swiss Sub, as currently in full force and effect, is attached as **Appendix 3**.

(d) **Representations of Provider.** Provider represents and warrants to Swiss Sub that (i) Provider is organized, validly existing and in good standing under the laws of _____, with all requisite power and authority to enter into this Agreement and conduct its business as it is now being conducted, (ii) the names and titles of the directors, executive officers, and shareholders that own at least 10% of shares of voting equity of Provider, as of the date of this Agreement, are attached as **Appendix 2**; (iii) Provider is not identified on any of the OFAC Lists; (iv) no director, officer, employee, or holder of equity or debt securities of Provider is identified on, or is 50% or more owned, directly or indirectly, by any party that is identified on any of the OFAC Lists, (v) Provider will comply with all applicable sanctions and export control laws and will not provide the Services under this Agreement to any parties that, at the time such Services are provided, are (A) located or resident in any country or territory that is subject to a U.S. trade embargo or other applicable sanctions prohibiting such services, including but not limited to, the Crimea region of Ukraine, Cuba, Iran, North Korea, and Syria or (B) identified on any of the OFAC Lists or other applicable sanctions list prohibiting such services; (vi) Provider has implemented sanctions compliance procedures reasonably designed to ensure compliance with OFAC sanctions regulations and other applicable sanctions laws; (vii) Provider has all licenses, franchises, permits and other governmental authorizations that are legally required to enable it to conduct its business as presently conducted in all material respects; and (viii) a copy of the Articles of Incorporation of Provider, as currently in full force and effect, is attached as **Appendix 4**.

(e) **Independent Contractor Relationship.** The relationship between the parties to this Agreement shall be that of independent contractors. Nothing in this Agreement shall be construed to create the relationship of employer and employee, a joint venture, a partnership, or joint association between the parties to this Agreement and or any of their respective affiliates. Swiss Sub shall solely be responsible for the payment of income taxes applicable to the compensation received from Provider under Section 3.

Section 3. *API Integration Fee to Exodus.*

(a) **API Integration Fee.** In consideration for the integration by Swiss Sub and Exodus US of the API into the Exodus Unhosted Wallet software, Provider shall pay to Swiss Sub an API Integration Fee (as defined in Section 3(b)(i)) for each Transaction (as defined in Section 3(b)(iv)). Provider shall provide Swiss Sub with a software interface to (i) view the accrual of the API Integration Fees on a real-time basis and (ii) permit Swiss Sub to receive payment, in BTC, for any accrued API Integration Fees, no later than two (2) days after the date of completion of the corresponding Transactions.

(b) **Definitions.**

(i) "API Integration Fee" means, for each Transaction, an amount equal to (x) 0.02 multiplied by (y) the Initial BTC Value.

(ii) "BTC" means Bitcoin cryptocurrency.

(iii) "Initial BTC Value" means the value, in BTC, of a crypto asset sent to Provider by a User, at the time the crypto asset was received by Provider from such User.

(iv) "Transaction" means a transaction of Services between Provider and a User, effected through the API, in which (i) User sends a crypto asset from User's Exodus Unhosted Wallet to Provider, and (ii) Provider sends, in response, a different type of crypto asset to User's Exodus Unhosted Wallet.

(v) "User" means a user of the Services of Provider through the API in the Exodus Unhosted Wallet.

Section 4. *Intellectual Property Rights*

(a) **License to Use API In Exodus Unhosted Wallet.** Subject to the terms and conditions of this Agreement, Provider grants to Swiss Sub and Exodus US a limited, royalty-free, paid-up, worldwide, non-exclusive, and non-transferable license, during the Term of this Agreement, to (i) execute and use the API in the Exodus Unhosted Wallet software application and (ii) use Provider's copyrighted work embodied in the API.

(b) **Swiss Sub - Retention of Rights.** Swiss Sub and Exodus US reserve all rights, title, and interest in and to any materials produced by Swiss Sub or Exodus US, including, without limitation, all patent rights, copyrights, trademarks, trade secrets, and all other intellectual property rights. Swiss Sub and Exodus US shall retain all right, title and interest in the Exodus Unhosted Wallet, and shall own all improvements thereon that are developed by Swiss Sub or Exodus US in connection with this Agreement. Provider shall not acquire any rights, title, or interest, express or implied, to the Exodus Unhosted Wallet or any other software or service produced by Swiss Sub or Exodus US, nor to any derivative works, modifications, enhancements, improvements, translations or other alterations thereto, and nothing in this Agreement shall be deemed to grant Provider any right, title or interest in the Exodus Unhosted Wallet, nor to any derivative works, modifications, enhancements, improvements, translations or other alterations thereto ("Exodus Derivative Works"). To the extent any assignment is necessary to evidence the intent of this section, Provider agrees to assign to Swiss Sub or Exodus US, as applicable, all of its right, title and interest in and to such Exodus Derivative Works, and any part thereof, and in and to all copyrights, patents, and other proprietary rights Provider may have in such Exodus Derivative Works.

(c) **Provider - Retention of Rights.** Provider reserves all rights, title, and interest in and to any materials produced by Provider including, without limitation, all patent rights, copyrights, trademarks, trade secrets, and all other intellectual property rights. Provider shall retain all right, title and interest in the API, and shall own all improvements thereon that are developed by Provider in connection with this Agreement. Other than the license granted during the Term of this Agreement, as set forth in Section 4(a), Swiss Sub and Exodus US shall not acquire any rights, title, or interest, express or implied, to the API or any software or service produced by Provider, and nothing in this Agreement shall be deemed to grant Swiss Sub or Exodus US any right, title or interest in the API, nor to any derivative works, modifications, enhancements, improvements, translations or other alterations thereto (“Provider Derivative Works”). To the extent any assignment is necessary to evidence the intent of this section, Swiss Sub and Exodus US, as applicable, agree to assign to Provider all of its right, title, and interest in and to such Provider Derivative Works, and any part thereof, and in and to all copyrights, patents and other proprietary rights they may have in such Provider Derivative Works.

Section 5. Confidentiality

(a) **General.** The Receiving Party (as defined in Section 5(b)(iii)) shall not disclose any Confidential Information (as defined in Section 5(b)(i)) to any party other than to the Representatives (as defined in Section 5(b)(iv)) of the Receiving Party who have a specific need to know the information in connection with the terms and conditions of this Agreement. If the Receiving Party is required by law, court order, or governmental authority to produce Confidential Information of the Disclosing Party (as defined in Section 5(b)(ii)), the Receiving Party must immediately notify the Disclosing Party of that obligation prior to its disclosure, unless such notification is prohibited by applicable law.

(b) **Definitions.**

(i) "Confidential Information" means any information (whether oral, written, electronic or otherwise) provided by the Disclosing Party to the Receiving Party that (A) relates to the Disclosing Party's business, (B) is not known generally to the industry in which the Disclosing Party may be engaged, and (C) is not otherwise generally available to the public. Confidential Information includes, but is not limited to, any and all of the Disclosing Party's intellectual property (including, but not limited to, patents, trademarks and copyrights), trade secrets, proprietary data or information relating to past present or future business and products; price lists, customer lists, customer addresses, customer telephone numbers and customer files; information pertaining to processes, procedures or standards; manuals, business strategies, records, drawings, specifications, or designs; financial information, whether or not in writing; and any other information or data which the Disclosing Party advises the Receiving Party in writing to be treated as confidential information. Confidential Information does not include information that (I) is or becomes publicly available other than as a result of a disclosure by the Receiving Party or the Receiving Party's employees, (II) is or becomes available to the Receiving Party on a non-confidential basis from a source (other than the Disclosing Party) that, to the best of the Receiving Party's knowledge after due inquiry, is not prohibited from disclosing such information to the Receiving Party by a legal, contractual or fiduciary obligation to the Disclosing Party, (III) is independently developed by the Receiving Party without use of the Confidential Information, or (IV) is already known by the Receiving Party at the time of this Agreement.

(ii) "Disclosing Party." means any party to this Agreement who discloses information to the other party to this Agreement.

(iii) "Receiving Party." means any party to this Agreement who receives information from the other party to this Agreement.

(iv) "Representatives" means a party's directors, officers, employees, attorneys, accountants, financial advisors, and consultants.

Section 6. Limitation of Liability. TO THE MAXIMUM EXTENT PERMITTED BY SWISS LAW, NO PARTY TO THIS AGREEMENT WILL BE LIABLE TO THE OTHER PARTY FOR CONSEQUENTIAL, PUNITIVE, OR EXEMPLARY DAMAGES OF ANY KIND (INCLUDING, WITHOUT LIMITATION, LOST REVENUES OR PROFITS, LOSS OF USE, OR LOSS OF GOODWILL OR REPUTATION) WITH RESPECT TO ANY CLAIMS BASED ON CONTRACT, TORT, OR OTHERWISE (INCLUDING NEGLIGENCE AND STRICT LIABILITY, BUT EXCLUDING GROSS NEGLIGENCE AND WILLFUL INTENT) ARISING OUT OF THIS AGREEMENT, REGARDLESS OF WHETHER THE PARTY LIABLE OR ALLEGEDLY LIABLE WAS ADVISED, HAD OTHER REASON TO KNOW, OR IN FACT KNEW OF THE POSSIBILITY THEREOF.

Section 7. *Miscellaneous.*

(a) *Notices.* All notices, requests, demands or other communications hereunder shall be in writing and shall be deemed to have been duly given (i) when personally delivered, (ii) if sent by e-mail, on the date that the e-mail is received by the recipient in legible form or (iii) if sent by international delivery service, on the Business Day that it is delivered or its delivery is attempted, in any case addressed to the parties at the following addresses or at such other address as shall be given in like manner by any party to the other:

If to Swiss Sub:

Mr. Jon Paul Richardson
Director
Proper Trust AG
c/o LacMont AG
Landis + Gyr Strasse 1
6300 Zug, Schweiz
E-MAIL: jp@exodus.io

If to Provider:

[Name]
[Title]
[Name of Provider]
[Address]
E-MAIL: _____

(b) *Governing Law.* This Agreement shall be governed by and construed and enforced in accordance with the laws of Switzerland, without reference to conflicts of laws principles thereof. Any disputes arising from or relating to this Agreement not amicably reconciled shall be subject to the exclusive subject matter jurisdiction of the competent court of Zug, Switzerland. Each party hereby waives trial by jury in any court action or proceeding to which they may be parties, arising out of, in connection with or in any way pertaining to, this Agreement.

(c) *Entire Agreement; Termination of Prior Agreements.* This Agreement contains the entire understanding of the parties with respect to activities contemplated by this Agreement. This Agreement supersedes and terminates all prior agreements and understandings between the parties to this Agreement, whether written or oral.

(d) *Survival.* Sections 1(c), 2(e), 4, 5, 6 and 7 shall survive the termination of this Agreement.

(e) *Miscellaneous.* This Agreement may not be assigned by any party without the written consent of all of the parties hereto. Except as otherwise expressly provided herein, all of the terms and provisions of this Agreement shall be binding upon, shall inure to the benefit of and shall be enforceable by the respective successors and permitted assigns of the parties hereto. If any provision of this Agreement is held invalid or unenforceable in accordance with its express terms in any legal proceeding, such invalidity or unenforceability shall not affect the validity and enforceability of any other part of this Agreement. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute one agreement which is binding upon all parties hereto, notwithstanding that all parties are not signatories to the same counterpart. This Agreement may be executed by electronic, facsimile or scanned signatures which shall be deemed to have the same force and effect as an original signature. This Agreement may be amended only by a written agreement signed by all of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered on the date first above written.

PROPER TRUST AG

[NAME OF PROVIDER]

By: _____
Jon Paul Richardson
Director

By: _____
[Name]
[Title]

(Signature Page to API Agreement)

Appendix 1

Exodus Movement, Inc.

List of Directors, Executive Officers and
Significant Shareholders (holding at least 10% of voting equity shares)

DIRECTORS AND EXECUTIVE OFFICERS	
Title	Name
Director	Jon Paul Richardson
Director	Daniel Jason Castagnoli
Chief Executive Officer	Jon Paul Richardson
President	Daniel Jason Castagnoli
Chief Financial Officer and Secretary	James Gernetzke
Chief Operating Officer	Sebastian Milla

SHAREHOLDERS HOLDING AT LEAST 10% OF VOTING EQUITY SHARES
Name of Shareholder
Jon Paul Richardson
Daniel Jason Castagnoli

Appendix 2

[Name of Provider]

List of Directors, Executive Officers and
Significant Shareholders (holding at least 10% of voting equity shares)

DIRECTORS AND EXECUTIVE OFFICERS	
Title	Name

SHAREHOLDERS HOLDING AT LEAST 10% OF VOTING EQUITY SHARES	
Name of Shareholder	

Appendix 3

Articles of Association of
Proper Trust AG

Appendix 4

Articles of Incorporation of

March 15, 2019

James Gernetzke
23417 Nancy Circle
Elkhorn, NE 68022

Re: Employment Terms

Dear James:

EXODUS MOVEMENT, INC. (the “*Company*”) is pleased to offer you the position of Chief Financial Officer (CFO), on the following terms.

You will be responsible for all accounting and finance duties and will report to JP Richardson (CEO). You will work remotely from home or an office of your choosing (location TBD). Of course, the Company may change your position, duties, and work location from time to time in its discretion.

Your base salary will be \$12,500 per month (\$150,000 on an annualized basis), less payroll deductions and withholdings, paid on the Company’s normal payroll schedule. Additionally, the Company is prepared to offer you bonus incentives (Exhibit A) of an additional \$75,000 payable on the following monthly payroll.

During your employment, you will be eligible to participate in the standard benefits plans offered to similarly situated employees by the Company from time to time, subject to plan terms and generally applicable Company policies. A full description of these benefits is available upon request. Exempt employees may take a reasonable amount of time off with pay, as permitted by their duties and responsibilities, and as approved in advance by their supervisor. Exempt employees do not accrue vacation, and there is no set guideline as to how much vacation each employee will be permitted to take. Supervisors will approve paid vacation requests based on the employee’s progress on work goals or milestones, status of projects, fairness to the working team, and productivity and efficiency of the employee. Since vacation is not allotted or accrued, “unused” vacation time will not be carried over from one year to the next nor paid out upon termination. The Company may change compensation and benefits from time to time in its discretion.

Subject to approval by the Company’s Board of Directors (the “*Board*”), the Company anticipates granting you an option to purchase 75,000 shares (10,000,000 issued) of the Company’s common stock at the fair market value as determined by the Board as of the date of grant (the “*Option*”). The anticipated Option will be governed by the terms and conditions of the Company’s 2019 Equity Incentive Plan (the “*Plan*”) to be established and your grant agreement, and will include the following vesting schedule: 12/48ths of the total shares will vest on the one year anniversary of the vesting commencement date, and 1/48th of the total shares will vest each month thereafter on the same day of the month as the vesting commencement date (or if there is no corresponding day, on the last day of the month), subject to your Continuous Service (as defined in the Plan) as of each such date.

As a Company employee, you will be expected to abide by Company rules and policies. As a condition of employment, you must sign and comply with the attached Employment Terms Agreement which prohibits unauthorized use or disclosure of the Company’s proprietary information, among other obligations.

In your work for the Company, you will be expected not to use or disclose any confidential information, including trade secrets, of any former employer or other person to whom you have an obligation of confidentiality. Rather, you will be expected to use only that information which is generally known and used by persons with training and experience comparable to your own, which is common knowledge in the industry or otherwise legally in the public domain, or which is otherwise provided or developed by the Company. You agree that you will not bring onto Company premises any unpublished documents or property belonging to any former employer or other person to whom you have an obligation of confidentiality. You hereby represent that you have disclosed to the Company any contract you have signed that may restrict your activities on behalf of the Company.

Normal business hours are from 9:00 a.m. to 5:00 p.m., Monday through Friday. As an exempt salaried employee, you will be expected to work additional hours as required by the nature of your work assignments.

Your employment with the Company will be "at-will." Your employment at-will status can only be modified in a written agreement signed by you and by an officer of the Company. You may terminate your employment with the Company at any time and for any reason whatsoever simply by notifying the Company. Likewise, the Company may terminate your employment at any time, with or without cause. If the Company terminates you without cause after 90 days of employment, the Company shall pay three months base salary plus one month for every year of service up to a maximum of twelve months total base salary.

This offer is contingent upon a reference check and satisfactory proof of your right to work in the United States. You agree to assist as needed and to complete any documentation at the Company's request to meet these conditions.

To ensure the rapid and economical resolution of disputes that may arise in connection with your employment with the Company, you and the Company agree that any and all disputes, claims, or causes of action, in law or equity, including but not limited to statutory claims, arising from or relating to the enforcement, breach, performance, or interpretation of this Agreement, your employment with the Company, or the termination of your employment, shall be resolved, to the fullest extent permitted by law, by final, binding and confidential arbitration conducted by JAMS or its successor, under JAMS' then applicable rules and procedures for employment disputes (available upon request and also currently available at <http://www.jamsadr.com/rules-employment-arbitration/>). **You acknowledge that by agreeing to this arbitration procedure, both you and the Company waive the right to resolve any such dispute through a trial by jury or judge or administrative proceeding.** You will have the right to be represented by legal counsel at any arbitration proceeding. The arbitrator shall: (a) have the authority to compel adequate discovery for the resolution of the dispute and to award such relief as would otherwise be permitted by law; and (b) issue a written statement signed by the arbitrator regarding the disposition of each claim and the relief, if any, awarded as to each claim, the reasons for the award, and the arbitrator's essential findings and conclusions on which the award is based. The arbitrator shall be authorized to award all relief that you or the Company would be entitled to seek in a court of law. The Company shall pay all JAMS arbitration fees in excess of the administrative fees that you would be required to pay if the dispute were decided in a court of law. Nothing in this letter agreement is intended to prevent either you or the Company from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any such arbitration.

This letter, together with your Employment Terms Agreement, forms the complete and exclusive statement of your employment agreement with the Company. It supersedes any other agreements or promises made to you by anyone, whether oral or written. Changes in your employment terms, other than those changes expressly reserved to the Company's discretion in this letter, require a written modification signed by an officer of the Company. If any provision of this offer letter agreement is determined to be invalid or unenforceable, in whole or in part, this determination shall not affect any other provision of this offer letter agreement and the provision in question shall be modified so as to be rendered enforceable in a manner consistent with the intent of the parties insofar as possible under applicable law. This letter may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal E-SIGN Act of 2000, Uniform Electronic Transactions Act or other applicable law) or other transmission method and shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

Please sign and date this letter, and the enclosed Employment Terms Agreement and return them to me by Wednesday, March 20th 2019, if you wish to accept employment at the Company under the terms described above. If you accept our offer, we would like you to start on April 1st, 2019. From 4/1/2019 until 5/2/2019, you may work on a part-time basis at a rate of \$72 per hour. Full-time employment will begin on May 2nd, 2019 unless mutually agreed upon either orally or in writing.

We look forward to your favorable reply and to a productive and enjoyable work relationship.

Sincerely,

/s/ JP Richardson

JP Richardson (CEO)

Understood and Accepted:

/s/ James Gernetzke

Date: March 18, 2019

gernetzke@hotmail.com

Attachment: Employment Terms Agreement

Exhibit A - Bonus Incentives

The following to be paid on the monthly payroll following the completion of the task.

1. \$35,000 - Implement, build, and deliver processes to track company USD holding and BTC holdings. Reconciliation processes should be created. Accurate P&L statements delivered for three consecutive months.
2. \$20,000 - Ensure all employees in the United States are moved to a W-2 with formal IRS payroll withholdings.
3. \$20,000 -Implement company stock plan for Exodus employees.

EXODUS MOVEMENT, INC.

EMPLOYMENT TERMS AGREEMENT

We at Exodus Movement, Inc. are delighted that you have decided to join our company!

As a condition of your employment with us, in order to protect our confidential information, intellectual property, relationships with our employees and business partners and other rights, we ask all employees to agree to certain terms regarding these matters. Therefore, as a condition of your employment, you agree to the terms in this agreement.

Please note that as used in this agreement, “we,” “our,” “us” and “our company” refers to Exodus Movement, Inc. and all of its affiliated entities. “You” means you, our employee.

1. Confidentiality.

(a) As a result of your employment with us, you will be in possession of trade secrets or confidential or proprietary information of ours or of our business partners or associates. Any of this information will be referred to in this agreement as “Confidential Information.” All personally-identifiable information of our customers will be considered our Confidential Information. You agree that you will not use any Confidential Information and you agree that you will keep secret all Confidential Information and not to disclose Confidential Information (other than to our advisors, agents, consultants, financing sources and other representatives), except in connection with the performance of your duties under this agreement. This obligation will not apply to information that is or becomes publicly known, other than as a result of your breach of your obligations hereunder. In addition, you may disclose this information pursuant to a court or government order, but you agree to use reasonable efforts to provide us with prompt notice of any request by a court or government body so that we may seek an appropriate protective order. Also, this agreement does not prevent you from disclosing relevant or responsive information to the EEOC, NLRB or any other governmental body with respect to any claims or complaints or from participating in protected concerted activity. You agree to deliver promptly to us at the termination of your employment, or at any other time we may so request, all memoranda, notes, records, reports, and other documents (including electronically stored information) relating to our business which you obtained while employed by, or otherwise serving or acting on behalf of, us which you may then possess. This section will apply both during and after your employment with us.

(b) You also agree that you will not disparage us or any of our officers, directors, employees or business partners, either during your employment or after your employment with us.

2. Company Work Product.

(a) You acknowledge and agree that all of the ideas, concepts, inventions and work product that you create or provide during the term of your employment which directly or indirectly relate to our business, whether alone or in conjunction with others, whether created at home or at the office and whether or not created during normal business hours, will (a) be our sole and exclusive property and you shall not have any right, title or interest therein and (b) constitute “works made for hire” under all applicable copyright or other applicable law. Any of this information will be referred to in this agreement as the “Company Work Product.” You agree that you automatically assign to us all of your rights, title, and interest in any Company Work Product created, developed, or discovered by you during the term of your employment. You further agree to cooperate fully and promptly with, and otherwise facilitate, any of our efforts to vest in us all rights, title and interest in and to the Company Work Product and to register, preserve, and protect the Company Work Product from use by others, or from weakening. You agree to execute and deliver any and all documents, agreements and instruments to evidence our rights in the Company Work Product as provided in this Section 2. You irrevocably grant to us a power of attorney to execute and deliver any and all documents, agreements and instruments in your name as may be reasonably required to give effect to this Section 2; but we will only use this power of attorney with respect to any document, agreement or instrument that you do not execute and deliver after five days written request by us. The rights granted to us in this Section 2 will continue in effect after the termination or expiration of your employment term.

(b) To avoid future confusion or dispute, you have listed on Schedule A to this agreement a description of all inventions or other intellectual property, if any, you have developed or conceived in which you claim any ownership or other right that directly relates to our business as currently conducted or as currently proposed to be conducted. These items that you list on Schedule A will be referred to in this agreement as “Excluded Inventions.” You agree that the attached list is a complete listing of all Excluded Inventions that are to be excluded from this agreement as having been made prior to your employment with us. By not listing an invention or other intellectual property, you acknowledge that such invention or other intellectual property was not developed or conceived before my employment with us. You also agree that if you have listed any inventions or intellectual property on Schedule A, you will not incorporate any of those items listed on Schedule A into any of products, services, documents or works and, if you do, you agree we will be permitted to use those items royalty and fee free in perpetuity without payment of any license or fee to you or to any third party.

3. **Outside Activities.** During your employment with us, you agree that you will not engage in any other employment, consulting or other business activity during your regular work hours with us.

4. **Compliance with Policies and Procedures.** You agree to be bound by and to comply fully with all of our policies and procedures for employees.

5. **Representations.** You represent, warrant and covenant to us that you are under no contractual commitments, including but not limited to, any confidentiality, proprietary rights, non-solicitation, non-competition agreement or similar type of restrictive covenant agreement that is inconsistent with your obligations to us and that you will not at any time during the course of your employment by us violate or breach any obligation or commitment that you may have to a third party or prior employer.

7. **Employment At-Will.** Nothing in this agreement will alter the at-will nature of your employment.

8. **Miscellaneous.**

(a) You agree that we may assign this agreement or any of our rights under this agreement at any time. You agree that because the obligations in this agreement are personal to you, you may not assign or delegate this agreement or any of your obligations under this agreement. • This agreement is binding on you and your heirs, executors, administrators, or representatives and successors.

(b) All of your obligations contained in this agreement will survive the termination of your employment with us.

(c) If any provision of this agreement is found to be invalid, unenforceable or illegal, the validity or enforceability of the other provisions will not be affected. In addition, if any one or more provisions contained in this agreement is held to be excessively broad as to duration, geographical scope, activity, subject, or otherwise, it will be construed by limiting or reducing it, so as to be enforceable with applicable law.

(d) This agreement will be governed by Delaware law. We both agree that any disputes under this letter agreement will be brought exclusively in courts located within Delaware.

(e) If we waive any breach of this agreement by you or waive any of our rights in this agreement, that waiver does not mean that we will be bound to waive any other breaches by you or that we will be required to waive any other rights in this agreement.

(f) Both you and we agree that this agreement contains the entire agreement between you and us regarding the matters contained in this agreement, and there are no other side agreements or other representations, agreements or understandings between us regarding these matters.

(g) This agreement will not be construed against the drafter as the parties have been, or had the opportunity to be, represented by counsel in the negotiation and drafting of this agreement.

(h) You recognize that your violation of this agreement could cause us harm and significant injury that we cannot repair, the amount of which may be extremely difficult to estimate, making monetary damages alone inadequate. Therefore, you agree that in the event that you breach or threaten to breach your obligations in this agreement, we will have the right to injunctive relief (e.g., an order to stop the activities constituting a breach) without the necessity of proving actual damages or posting any bond or other security, in addition to any other remedies.

This agreement is made and entered into effective as of the first day of your employment with us. We look forward to having you join our company!

Employee /s/ James Gernetzke

Signature:

Print Name: James Gernetzke

Date Signed: March 18, 2019

Company:

Exodus Movement, Inc.

By: /s/ JP Richardson

Name: JP Richardson

Title: CEO

Schedule A

Excluded Inventions

Except as set forth below, there are no Excluded Inventions that you wish to exclude from the operation of this agreement:

[Please note: if this is blank in will be deemed to indicate “none”]

PLATFORM SERVICES, TRANSFER AGENT AND REGISTRAR AGREEMENT

THIS PLATFORM SERVICES, TRANSFER AGENT AND REGISTRAR AGREEMENT, including all exhibits hereto ("**Agreement**"), is made and entered into as of December 23, 2020 (the "**Effective Date**"), and is by and between **Securitize LLC**, a Delaware limited liability company with offices at 100 Pine Street, Suite 1250, San Francisco, CA 94111 ("**Securitize**"), and **Exodus Movement, Inc.**, a Delaware corporation with an address of 15418 Weir Street, No. 333, Omaha, NE 68137 ("**Issuer**"), each a "**Party**", together the "**Parties**".

RECITALS

WHEREAS, Issuer desires that certain services be provided by Securitize with regard to the issuance, transfer and registration of certain Securities (as defined below) of Issuer;

WHEREAS, Securitize is engaged in the business of providing technological and transfer agent services for issuers of securities and seeks to provide such services to Issuer; and

WHEREAS, the Parties desire to set forth the terms and conditions for the provision of services by Securitize to Issuer.

NOW THEREFORE, in consideration of the terms and conditions set forth below and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

TERMS AND CONDITIONS

1. **DEFINITIONS.** For purposes of this Agreement, each capitalized word or phrase listed below shall have the meaning designated:

"**Affiliate**" of a Party means a business entity that directly or indirectly controls, is controlled by, or is under common control with, such Party. For purposes of this definition, "Control" (including, with correlative meaning, the term "Controlled by"), as used with respect to any entity, means the direct or indirect ownership of more than fifty percent (50%) of the voting stock, or more than fifty percent (50%) of the voting power at general meetings, or the power to appoint and dismiss a majority of the board of directors or otherwise to direct the activities, of such entity. Unless otherwise specified in this Agreement, the term "Affiliate" includes current and future Affiliates of a Party.

"**Applicable Laws**" means all US federal, state and local laws, statutes, ordinances, regulations and rules applicable to the provision of the Services including, for the avoidance of doubt, all laws governing the offering and sale or issuance of Securities in each jurisdiction where Issuer is offering and selling or issuing Securities, and the laws governing the Issuer Smart Contract, its performance and the interpretation thereof.

"**Authorized Participants**" has the meaning described in [Section 7.2](#).

"**Authorized User**" means a natural person who is an employee, agent, or contractor of Issuer or Issuer's Affiliates who has been authorized by Issuer to access and use the Platform or other Services of Securitize under this Agreement solely for the benefit of Issuer.

"**Company Offering**" has the meaning described in [Section 7.2](#).

"**Confidential Information**" has the meaning described in [Section 10.1](#).

"**Digital Token**" means digital representations of the Securities that are evidenced on and can be electronically received and stored using distributed ledger technology.

"**Exodus Wallet**" means Issuer's unhosted and non-custodial cryptocurrency software wallet for multiple types of cryptocurrency and other digital assets, which, as of the date of this Agreement, (i) is branded the "Exodus Wallet" and (ii) can be downloaded from the *exodus.io* website, the iOS app store, and the Google Play store.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended. "**Harmful Code**" has the meaning described in [Section 7.5.2](#).

"**Intellectual Property Rights**" means all tangible and intangible rights associated with works of authorship throughout the world, including but not limited to, copyrights, moral rights, and mask works; trademarks and trade name rights and similar rights; trade secret rights; patents, designs, algorithms, and other legally protectable intellectual or industrial property rights (of every kind and nature throughout the world and however designated); and all registrations, initial applications, renewals, extensions, continuations, divisions, or reissues now or hereafter in force (including any rights in the foregoing) anywhere in the world, that exist as of the Effective Date or hereafter come into existence, regardless of whether or not such rights have been registered with the appropriate authorities in such jurisdictions in accordance with the relevant legislation.

"**Issuer Data**" means all electronic data or information submitted by or on behalf of Issuer to the Platform whether included in the Issuer Smart Contract or otherwise, including any data or information submitted by Authorized Participants; provided, however, that Issuer Data shall not include any information submitted by Authorized Participants that registered on the Platform utilizing Securitize's "Securitize ID" Product, which shall be proprietary to Securitize and governed by existing agreements between Securitize and such Authorized Participants; provided, further, that, for the avoidance of doubt, Issuer Data does not include the Intellectual Property Rights of the Issuer set forth in [Section 13.1.2](#).

"**Issuer Due Diligence Information**" means information provided by Issuer to Securitize, either before or after the Effective Date, for the purposes of Securitize's evaluation of Issuer's suitability as a party to this Agreement.

"**Issuer Intellectual Property Rights**" means the Intellectual Property Rights over Issuer Data, Issuer Instructions, Issuer Materials, the Issuer Smart Contract (other than the Securitize Intellectual Property contained therein) and Feedback, as well as any other Intellectual Property Rights owned or held by Issuer prior to the Effective Date and as otherwise set forth under [Section 13.1.2](#).

"**Issuer Instructions**" means written instructions provided to Securitize by Issuer.

"**Issuer Materials**" means required content, information, instructions (including Issuer Instructions) or other materials reasonably requested by Securitize; provided, however, that, for the avoidance of doubt, Issuer Materials does not include the Intellectual Property Rights of the Issuer set forth in [Section 13.1.2](#).

"Issuer Smart Contract" means the smart contract consisting of software code that exists on the Ethereum blockchain and which has been created by Issuer Instructions.

"Joinder Agreement" means the Joinder Agreement to this Agreement, the form of which is included herein as Exhibit E, to be entered into among the Parties and any Affiliate of Issuer that may issue Securities.

"Order Form" means the order form agreed between the Parties in substantially similar form as Exhibit A.

"Platform" means the Securitize cloud-based services as described in Exhibit A, including any related mobile applications, and all upgrade and enhancements to the Platform that may be provided by Securitize (for itself or on behalf or through any of its Affiliates) under this Agreement.

"PII" means personally identifiable information as defined in Section 10.5.

"Securities" means Issuer's Class A Common Stock, which may be represented by Digital Tokens. **"Securities Act"** means the Securities Act of 1933, as amended.

"Securitize Intellectual Property Rights" means the Intellectual Property Rights over all material contained on or available through the Platform and/or other Securitize Services, as well as any other Intellectual Property Rights held by Securitize prior to the date hereof, but in each case excluding the Issuer Intellectual Property Rights.

"Services" means the provision of the Platform, related documentation, and any other specified services or deliverables required to be provided by Securitize (for itself or on behalf or through any of its Affiliates) under this Agreement as described in the Order Form.

"Service Level Agreement" or **"SLA"** has the meaning described in Exhibit B as attached hereto and incorporated by reference.

"Term" has the meaning described in Section 12.

"Territory" means the world, excluding those countries or parties subject to applicable prohibitions under U.S. export laws or in which the use of the Securitize Services would be prohibited or constrained.

2. GENERAL APPOINTMENT OF SECURITIZE AS TRANSFER AGENT.

Securitize is hereby appointed as the transfer agent for the issuance, transfer and registration of the Securities and to perform such other services related to the Securities as provided in this Agreement. If an Affiliate of Issuer is to issue the Securities, the Parties and such Affiliate shall enter into a Joinder Agreement to formally appoint Securitize as transfer agent for such Affiliate's Securities and for such Affiliate to assume the obligations of an Issuer hereunder.

3. ISSUANCE OF SECURITIES.

Securitize is authorized and directed to facilitate the issuance of Securities of Issuer, including Digital Tokens, from time to time upon receiving from Issuer all of the following:

- 3.1.** Written instructions as to the issuance of the Securities from an authorized officer of Issuer.

- 3.2. A certified copy of any order, consent, decree or other governmental authorization existing as of the date of issue of the Securities.
- 3.3. An opinion of Issuer's counsel that (i) the Securities are duly authorized, validly issued, fully paid and nonassessable, (ii) the issuance of the Securities has been registered under the Securities Act (as amended), or, if exempt from registration, the basis of such exemption, and (iii) no order or consent of any governmental or regulatory authority other than that provided to Securitize is required in connection with the issuance of the Securities or, if no such order or consent is required, a statement to that effect. The opinion should also indicate whether it is necessary that the Securities be subject to transfer restrictions or a statement to the effect that all Securities to be issued are freely transferable upon presentation to Securitize for that purpose.
- 3.4. Such further documents as Securitize may reasonably request.

4. REGISTRAR; TRANSFER OF SECURITIES.

- 4.1. Securitize is authorized and directed to act as the official registrar of the Securities.
- 4.2. Securitize is authorized and directed to make transfers of Securities from time to time upon the books of Issuer as maintained by Securitize. Securities, in either certificated or book entry form (or other appropriate form of ownership), will be transferred or exchanged upon the surrender of the old Securities (or appropriate instructions in the case of noncertificated shares) in form reasonably deemed by Securitize to be properly endorsed for transfer, accompanied by such documents as Securitize may deem necessary to evidence the authority of the person making the transfer. Securitize reserves the right to refuse to transfer Securities until it has received reasonable assurance that each necessary endorsement is genuine and effective, that the transfer of the Securities is legally valid and genuine and that the requested transfer is otherwise legally in order. For that purpose, Securitize may require an acceptable guaranty of the signature of the person signing and appropriate assurance of authority to do so. Securitize may rely upon the Uniform Commercial Code, Applicable Law, and generally accepted industry practice in effecting transfers, or in delaying or refusing to effect transfers. Securitize may delay or refuse to process any transfer that in its reasonable judgment appears improper or unauthorized. If, on a transfer of a restricted item, Issuer counsel fails to issue an opinion or to provide adequate reasons therefore within five (5) business days of a request to do so, Securitize is authorized, but not required, to process such transfer upon receipt of an appropriate opinion of presenter's counsel.
- 4.3. Securitize shall be fully protected and held harmless in recognizing and acting upon written instructions of an authorized officer of Issuer.
- 4.4. When Securitize deems it expedient it may apply to Issuer, or counsel for Issuer, or to its own counsel for instructions and advice; Issuer will promptly furnish or will cause its counsel to furnish such instructions and advice, and, for any action taken in accordance with such instructions or advice, or in case such instructions and advice shall not be furnished within five (5) business days, Issuer will indemnify and hold harmless Securitize from any and all liability, including reasonable attorney's fees and court costs.

- 4.5. Issuer will at all times advise Securitize of any and all stop transfer notices or adverse claims lodged against Securities of Issuer and further, will promptly notify Securitize when any such notices or claims have expired or been removed. Securitize is not otherwise responsible for stop transfer notices or adverse claims from either Issuer or third parties unless it has received actual written notice.
5. [RESERVED]
6. **PLATFORM SERVICES**
- Attached hereto as Exhibit A and Exhibit B are the exhibits executed by the Parties contemporaneously with this Agreement and incorporated herein by reference. Each Party will (directly or through its Affiliates or designated contractors provided however that delegation of any duty or obligation shall not relieve the Party of such duty or obligation) perform its duties and obligations in relation to such exhibits in a timely and professional manner consistent with industry standards. Issuer understands and agrees that delays or failure of Issuer or its representatives to deliver Issuer Materials in a timely manner will excuse Securitize from related performance requirements under this Agreement but only to the extent such delay materially caused or contributed to delays or disruption in the performance of Services. Without limiting the generality of the foregoing, Securitize reserves the right to prohibit transactions on the Platform until all Issuer Materials required by Securitize and requested by Securitize in writing to perform such actions are provided. Unless otherwise specified in an exhibit, each Party is to bear its own costs and expenses of performance.
7. **RIGHTS**

- 7.1. **Ownership.** Subject to the licenses specifically granted to Issuer herein, all right, title and interest in and to Securitize Intellectual Property Rights remain, as between the Parties, in and with Securitize and/or its suppliers. Subject to the licenses specifically granted to Securitize herein, all right, title and interest in and to Issuer Intellectual Property Rights remain, as between the Parties, in and with Issuer and/or its Affiliates.
- 7.2. **Limited License Grant.** Securitize shall make available to Issuer the Securitize services that are specified in an Order Form (the "**Securitize Services**"). During the term of the applicable Order Form, and subject to the terms of this Agreement, Securitize grants to Issuer, and Issuer accepts from Securitize, a non-exclusive, non-transferable limited license, without a right to sublicense, in the Territory, to access the Platform solely for the purpose of preparing, facilitating and managing an offering and sale or issuance by Issuer of Securities (or such other similar transactions) as described in the applicable Order Form (the "**Company Offering**"). In addition, Securitize agrees that it will grant, in accordance with relevant Securitize documentation, to prospective investors solicited by Issuer or its agents who are interested in purchasing Securities in Issuer's offering ("**Authorized Persons**" and, together with Authorized Users, "**Authorized Participants**") the right to access the Platform in order to utilize the Securitize Services for the benefit of Issuer. If, based on the reasonable determination of Securitize or Issuer, any Authorized Participant is using the Securitize Services in a manner that is prohibited by Securitize or otherwise inconsistent with the intended use of the Securitize Services (a "**Prohibited Use**"), in addition to any of its other rights or remedies, Securitize may, without liability to Issuer, suspend or limit Issuer's or such Authorized Participant's access to the Securitize Services until such prohibited usage is fully remedied. Issuer shall use commercially reasonable efforts to provide Securitize notice of any Prohibited Use as soon as reasonably practicable after gaining knowledge thereof.

- 7.3. Restrictions; No Reverse Engineering.** Issuer shall not, and shall not knowingly allow any employee, agent, contractor, Affiliate, Authorized Participant, or others to (i) decompile, disassemble, or otherwise reverse engineer or attempt to reconstruct or discover any source code, underlying ideas, or interoperability interfaces of the Securitize Services by any means whatsoever; (ii) remove any product identification, copyright or other notices on the Securitize Services; (iii) provide, lease, lend, use for timesharing, service bureau, hosting purposes or otherwise use the Securitize Services to or for the benefit of third parties other than Issuer and its Affiliates; or (iv) modify, adapt, alter, translate or incorporate into or with other software or create a derivative work of any part of the Securitize Services, *except* as required for Issuer to integrate any Securitize Service into the Exodus Wallet.
- 7.4. Issuer Smart Contract.** Securitize hereby grants to Issuer, and Issuer accepts from Securitize, a royalty free, perpetual, irrevocable, worldwide, non-exclusive, transferable limited license, without a right to sublicense or create derivative works thereon, in the Territory, to Securitize's Intellectual Property Rights included in, or forming part of, the Issuer Smart Contract, to use and exploit the Issuer Smart Contract as contemplated by this Agreement. Issuer hereby assumes all prospective obligations, liabilities and duties attendant to the Issuer Smart Contract. The foregoing does not and is not intended to transfer or grant, and shall not otherwise affect in any way, ownership by Securitize of, or rights of Securitize in, any of Securitize's Intellectual Property Rights or other proprietary rights, assets, content, products and services, and nothing in this Agreement shall be construed as the assignment or transfer of any ownership rights in any Intellectual Property Rights or other proprietary rights, assets, technology, content, products or services of Securitize and/or its Affiliates, including, without limitation, Securitize's technology, software, ideas, know-how, or information, except for the limited license granted herein to the specific Issuer Smart Contract. Securitize hereby expressly reserves all of its rights not expressly granted to Issuer under of this Agreement, and nothing herein shall be construed as granting Issuer any rights in or to the Ethereum blockchain. For the avoidance of doubt, Securitize shall have no obligation to update or maintain the Issuer Smart Contract, or to defend any third party claim arising or related to the Issuer Smart Contract or any liability arising out of or related to Issuer Smart Contract after the term of the applicable Order Form.
- 7.5. Security and Access Policies.**
- 7.5.1. Platform Security.** Securitize shall use commercially reasonable efforts consistent with industry standards to protect the physical security and electronic security of the Platform and other systems utilized to provide the Securitize Services, including but not limited to using up-to-date anti-virus, security and firewall technology commonly used in the industry. Securitize shall perform regularly scheduled data backups of the Issuer Data. Issuer agrees that it will, and shall ensure that its Affiliates and Authorized Participants, will not knowingly take actions that negatively affect the confidentiality, integrity, and availability of Securitize's systems and information assets.

7.5.2. Harmful Code. If either Party becomes aware that an unauthorized party has accessed Issuer Data, or Confidential Information, or that Harmful Code has infected a relevant network or system of such Party, then it shall notify the other Party as soon as reasonably practical, so the Parties can work together to mitigate any potential adverse effect and undertake any further steps that may be applicable or required by law. "**Harmful Code**" means computer instructions whose primary purpose or effect is to disrupt, damage or interfere with use of any computer or telecommunications facilities, including, without limitation, any automatic restraint, time-bomb, trap-door, virus, worm, Trojan horse, or other harmful code or instrumentality that will cause a system to cease to operate or to fail to conform to its specifications. Each Party shall take commercially reasonable precautions to avoid, prevent, stop, find and eliminate the spread of all Harmful Code on its hardware systems and networks.

7.5.3. No Export. Issuer will, and will instruct its Affiliates to, not remove or export from the United States or re-export from anywhere any part of the Securitize Services or any direct product thereof in violation of the export laws of the United States. Further, each Party warrants to the other that neither it, nor any of its Affiliates, is on any applicable export-related or sanctions-related prohibited party list maintained by the U.S. Government and is not located in or a national or resident of any country subject to a U.S. trade embargo.

7.5.4. Limited Storage and Retrieval of Data. All Issuer Data including third party PII that is received, stored or otherwise maintained by Securitize and/or its Affiliates for Issuer pursuant to this Agreement shall be maintained in a secure hosting environment that meets or exceeds industry standards.

8. FEES AND PAYMENT TERMS

- 8.1. Fees.** The fees charged by Securitize for the provision of the Services, and any other fees shall be set forth in the applicable Order Form and exhibits to this Agreement.
- 8.2. Payment Terms.** Fees are due and shall be paid within thirty (30) days of Issuer's receipt of the invoice unless otherwise specified in the Order Form and applicable exhibits (the "Due Date"). Payments from Issuer to Securitize will be made in U.S. dollars. Invoices may be delivered in any manner provided by Section 17 ("**Notices**"), and in addition may be delivered electronically by email or facsimile transmission. Issuer shall notify Securitize of any invoice dispute by email or facsimile transmission within five (5) business days of receipt of the invoice and shall pay the undisputed portion of such invoice on or before the Due Date. The Parties shall work in good faith to resolve any disagreements over disputed amounts as quickly as reasonably possible.
- 8.3. Late payments.** Any payment due that is not received by the Due Date will accrue interest at a rate of one percent (1%) per month, or the highest rate allowed by Applicable Law, whichever is lower. For the avoidance of doubt, interest on late payments due is in addition to any remedies allowed by Applicable Law.

9. TAXES

Issuer shall be responsible for the payment of any and all taxes applicable to the license and use of the Securitize Services under this Agreement (other than those based upon Securitize's net income) including, without limitation, Issuer's income, payroll, sales, VAT, use, gross receipts, real estate, personal property or other taxes imposed upon transactions under this Agreement ("**Taxes**"), and will indemnify and hold harmless Securitize for any loss or damage (including without limitation any penalties and interest) sustained because of Issuer's failure to pay such taxes. If Securitize has the legal obligation to collect Taxes for which Issuer is responsible under this section, the appropriate amount shall be invoiced to and paid by Issuer upon notice and documentation (if any, within Securitize's possession) by Securitize to Issuer unless Issuer provides Securitize with a valid tax exemption certificate authorized by the appropriate taxing authority.

10. CONFIDENTIAL INFORMATION

- 10.1. Generally. "Confidential Information"** shall mean confidential or other non-public proprietary information that is disclosed by either Party to the other under this Agreement, including without limitation, software code and designs, hardware, product specifications and documentation, financial data, business, marketing and product plans, or technology, and Authorized Participant information (which includes, without limitation, any of the names, addresses, phone numbers, email addresses, and all other PII relating to Authorized Participants).
- 10.2. Obligations of Confidentiality.** Each Party agrees that it and its Affiliates will hold in strict confidence and not disclose the Confidential Information of the other Party to any third party and to use the Confidential Information of the other Party for no purpose other than the purposes expressly permitted by this Agreement. Each Party shall only permit access to the other Party's Confidential Information to those of its or its Affiliates' employees, contractors and advisors, including the Authorized Participants, having a need to know and who have signed or are bound by confidentiality obligations or agreements containing terms at least as restrictive as those contained in this Agreement. Each Party shall maintain the confidentiality and prevent accidental or other loss or disclosure of any Confidential Information of the other Party with at least the same degree of care as it uses to protect its own Confidential Information, but in no event with less than reasonable care.
- 10.3. Exclusions from Obligations.** A Party's obligations of confidentiality under this Agreement shall not apply to information which (i) is in the public domain without the breach of any agreement or fiduciary duty or the violation of any law, (ii) was known to the Party prior to the time of disclosure without the breach of any agreement or fiduciary duty or the violation of any law, (iii) is proven by contemporaneous records to be independently developed by the Party without use of such Confidential Information.
- 10.4. Legally Required Disclosure.** In the event either Party is required to disclose, pursuant to a judicial order, a requirement of a governmental agency or by operation of law, any Confidential Information provided to it by the other Party then such Party shall provide the other Party written notice of any such requirement promptly after learning of any such requirement, and take commercially reasonable measures at the other Party's expense to avoid or limit disclosure under such requirements and to obtain confidential treatment or a protective order and allow the other Party to participate in the proceeding.

10.5. Personally Identifiable Information. The Parties hereby acknowledge that each has a special responsibility under applicable data protection laws to keep personally identifiable information regarding Authorized Participants ("**PII**") private and confidential. Securitize acknowledges that in no way shall it gain possession of any ownership or other proprietary rights with respect to Authorized Participant PII. Securitize agrees that it shall store and process the Authorized Participant PII in strict compliance with the terms of this Agreement and all Applicable Laws governing the use, collection, disclosure and storage of such information. In relation to the processing of EU Personal Data (each as defined in Exhibit C) in performing the Services, the Parties shall comply with the obligations set out in Exhibit C. Securitize shall only permit access to such data to those of its employees having a need to know and who have signed confidentiality agreements containing terms at least as restrictive as those contained in this Agreement, and Securitize further agrees that it shall not further disclose such information to any third party without the prior written consent of Issuer except to its legal counsel or as may be required by law.

10.6. Storage of Data. All PII that is received, stored or otherwise maintained by Securitize for Issuer pursuant to this Agreement shall be maintained in a secure environment with physical, technical, and administrative information and data security safeguards that meet or exceed industry standards. Issuer is responsible for transmitting all PII and Issuer Confidential information to Securitize in encrypted or otherwise secure form if it is transmitted outside the normal operation of the Platform. In the event of a breach or suspected breach of security of any Securitize system, website, database, equipment or storage medium or facility that results or may have resulted in unauthorized access to any PII or any Issuer Confidential Information by any third party (including any employee, agent or subcontractor of Securitize that is not authorized to access such information) (collectively, a "**Security Breach**"), Securitize shall (i) notify Issuer within twenty four (24) hours of being informed of such breach of security, (ii) make commercially reasonable efforts to re-secure its systems immediately and remedy the Security Breach, (iii) cooperate with Issuer, at Securitize's expense, to draft disclosures, press releases and other communication for Issuer to use with its customers, the public or government entities, and (iv) take any other remedial measures.

10.7. Injunctive Relief. Each Party recognizes and acknowledges that any use or disclosure of the Confidential Information of the other Party in a manner inconsistent with the provisions of this Agreement will cause the other Party irreparable damage for which remedies at law may be inadequate. Accordingly, the non-breaching Party shall have the right to seek an immediate injunction in respect of any material breach of these confidentiality obligations to obtain such relief. Notwithstanding the foregoing, this paragraph shall not in any way limit the remedies in law or equity otherwise available to the non-breaching Party.

11. FEEDBACK

Issuer may, during the Term, provide Securitize with requests, suggestions and other feedback related to Issuer's use of the Platform or Services, including, but not limited to, feedback in support requests. Such information, ideas, concepts, and feedback provided by Issuer to Securitize concerning the Platform, Services or any other Securitize products or services ("**Feedback**") may be used by Securitize and/or its Affiliates in any manner and media to develop and improve the Platform and Services, and Issuer hereby grants to Securitize and Securitize's Affiliates and successors and assigns a transferable, non-exclusive, royalty-free, irrevocable, perpetual, worldwide right and license to reproduce and use Feedback, in any manner and media, for any lawful purpose.

12. Term and Termination.

12. Term and Termination.

12.1. Term. The term of this Agreement commences as of the Effective Date and, unless terminated earlier pursuant any of the Agreement's express provisions, will continue in effect until two (2) years from such date (the "**Term**").

12.2. Termination.

12.2.1. Termination for Cause. Either Party may cancel or terminate this Agreement or any Order Form by giving written notice if the other Party (a) becomes insolvent, unable to pay debts when due, or the subject of bankruptcy proceedings not terminated within thirty (30) days of any filing; or makes a general assignment for the benefit of creditors; or if a receiver is appointed for substantially all of its property; or (b) breaches or defaults on its undisputed payment obligations, and such breach or default remains uncured after ten(10) business days; or (c) breaches or defaults on other material obligations under this Agreement and fails to cure the breach or default within sixty (60) days after receipt of written notice. Furthermore, Securitize may terminate this agreement at any time upon written notice if (i) Securitize determines in its sole and reasonable discretion based on review of the Issuer Due Diligence Information that Issuer is not a suitable counterparty to this Agreement or (ii) it reasonably believes that Issuer intends to use the Platform to violate Applicable Laws, or if Issuer intends to take other actions that would cause an offering by Issuer conducted pursuant to an Order Form to violate Applicable Laws.

12.2.2. Termination for Convenience. At any time without cause and without causing any breach or incurring any additional obligation, liability, or penalty, either Party may terminate this Agreement and, except as may otherwise expressly be set forth therein, any Order Form(s), in each case by providing at least ninety (90) days' prior written notice to the other Party.

12.2.3. Effect of Termination; Data Retention. In addition, unless otherwise expressly provided in this Agreement or the applicable Order Form, and upon and after the termination or expiration of this Agreement or one or more Order Forms for any or no reason:

- (i) subject to the continuing rights, licenses, and obligations of either party under this Agreement, including this Section 12.2.3, or any Order Form, all authorizations and licenses granted hereunder will immediately terminate and the respective parties shall cease all activities concerning, including in the case of Issuer, all use of, the expired or terminated Services and the Platform, and, in the case of Securitize, the Issuer Data, Issuer Due Diligence Information, and the Issuer Materials;
- (ii) Issuer shall pay to Securitize all undisputed charges and amounts due and payable to Securitize, if any, for Services actually performed under the terminated or expired Order Form;
- (iii) Securitize shall repay, on a pro rata basis, all fees, expenses, and other amounts paid in advance for any Services that Securitize has not performed as of the effective date of such expiration or termination, as applicable, with respect to Services required to be performed under the terminated or expired Order Form or Order Forms;

- (iv) at Issuer's option and upon its written request, Securitize shall: (A) continue to retain the Issuer Data, or solely such specific databases or other collections or articles of Issuer Data as Issuer may request, as though this Agreement and all Order Forms were still in force, for a period to be agreed to by the parties in writing, but that in no event shorter than sixty (60) days or longer than one-hundred twenty (120) days after the effective date of such expiration or termination, as applicable, provided that Issuer pays in full all undisputed Fees due Securitize as of the effective date of such expiration or termination and pays monthly data storage fees to Securitize for its retention of such Issuer Data pursuant to such reasonable prevailing industry rates as may be agreed to by the parties in writing; and (B) at Issuer's reasonable expense, immediately upon the conclusion of such Issuer Data retention period, taking all steps required or reasonably requested to make an orderly transition of the Services and to assist Issuer and any of Issuer's designees in migrating such Issuer Data to the such systems as designated by Issuer in both Securitize's data format and a platform-agnostic format.
- (v) upon Issuer's termination of this Agreement, or any Order Form, for a breach by Securitize pursuant to this Agreement, Issuer shall have the right and option to continue to access and use the Services and Platform under each applicable Order Form, in whole and in part, for a period not to exceed one-hundred twenty (120) days from the effective date of such termination pursuant to the terms and conditions of this Agreement and each applicable Order Form hereunder and for the applicable Fees set forth in each such Order Form.

12.2.4. Disclaimer and Waiver. NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR COMPENSATION, REIMBURSEMENT OR DAMAGES ON ACCOUNT OF THE LOSS OF PROSPECTIVE REVENUE, INVESTMENT, PROFITS OR ANTICIPATED SALES OR ON ACCOUNT OF EXPENDITURES, INVESTMENTS, LEASES OR COMMITMENTS IN CONNECTION WITH THE BUSINESS OR GOODWILL OF SECURITIZE OR ISSUER BECAUSE OF TERMINATION OR EXPIRATION OF THIS AGREEMENT IN ACCORDANCE WITH ITS TERMS.

12.2.5. Survival. The following provisions will survive any expiration or termination of the Agreement: Sections 1, 7.1, 8, 10, 11, 12, 13, 14, 15 16, 17.

13. INTELLECTUAL PROPERTY OWNERSHIP.

13.1. Issuer Intellectual Property.

13.1.1. General. Subject to the provisions of Section 11, neither this Agreement nor any provision herein transfers ownership from Issuer to Securitize of any Issuer Intellectual Property Rights of any kind whatsoever. Without limiting the generality of the foregoing, Issuer shall own and retain ownership of all Issuer Instructions and other Issuer Materials. Issuer hereby grants (for itself and on behalf of applicable Authorized Participants and Affiliates) to Securitize and Securitize's Affiliates, successors and assigns a (i) transferable, non-exclusive, royalty-free, irrevocable, perpetual, worldwide right and license, under all Intellectual Property Rights of Issuer in and to Issuer Instructions and Issuer Data, to reproduce, create derivative works based on and otherwise use, in any manner and media, all Issuer Instructions and Issuer Data, to the extent any such Issuer Instructions and Issuer Data, or any derivative works based thereon, are expressed, implemented or otherwise incorporated in any manner in any Issuer Smart Contract, for any lawful purpose, and (ii) transferable, non-exclusive, royalty-free, irrevocable, worldwide right and license during the Term, under all Intellectual Property Rights of Issuer in and to Issuer Materials, to reproduce, create derivative works based on and otherwise use, in any manner and media, all Issuer Materials, for purposes of providing the Securitize Services.

13.1.2. Exodus Wallet. Issuer owns all rights, title, and interest in and to any documentation, materials, source code, inventions, developments, or works of authorship developed, produced, or authored by Issuer, including, without limitation, all patent rights, copyrights, trademarks, trade secrets, and all other intellectual property rights. Issuer owns and shall retain all right, title and interest in the Exodus Wallet, and shall own all improvements thereon that are developed in connection with this Agreement. Securitize shall not acquire any rights, title, or interest, express or implied, to the Exodus Wallet or any other software or service produced by Issuer, nor to any derivative works, modifications, enhancements, improvements, translations or other alterations thereto, and nothing in this Agreement shall be deemed to grant Securitize any right, title or interest in the Exodus Wallet, nor to any derivative works, modifications, enhancements, improvements, translations or other alterations thereto ("**Issuer Exodus Wallet Derivative Works**"). To the extent any assignment is necessary to evidence the intent of this section, Securitize agrees to assign to Issuer, as applicable, all of its right, title and interest in and to such Issuer Exodus Wallet Derivative Works, and any part thereof, and in and to all copyrights, patents, and other proprietary rights Securitize may have in such Issuer Derivative Works.

13.2. Securitize Intellectual Property. Subject to Issuer's rights in all Feedback and Issuer Materials, all Securitize Intellectual Property Rights, unless otherwise indicated, are protected by Applicable Laws including, but not limited to, copyright, trade secret, and trademark laws, as well as other state, national, and international laws and regulations. Except as expressly provided herein, Securitize does not grant any express or implied right to Authorized Participants under any patent(s), copyright(s), trademark(s), or trade secret information or other Intellectual Property Rights. Accordingly, unauthorized use of any material contained on the Platform may violate copyright laws, trademark laws, trade secret laws, the laws of privacy and publicity, and other regulations and statutes.

14. INDEMNIFICATION

- 14.1. Reliance on Issuer.** Securitize may conclusively rely and act or refuse to act without further investigation upon any list, instruction, certification, authorization, stock certificate or other communication, including electronic communication, instrument or paper believed by it in good faith to be genuine and unaltered, and to have been signed, countersigned or executed by any duly authorized person or persons, or upon the instruction of any officer of Issuer, the Authorized Participants or the advice of counsel for Issuer, or counsel for Securitize. Securitize may make any transfer or registration of ownership for such Securities which is believed by it in good faith to have been duly authorized or may refuse to make any such transfer or registration if in good faith Securitize deems such refusal necessary in order to avoid any liability upon either Issuer or itself. Issuer agrees that it shall, and shall instruct its Authorized Participants to, not knowingly give Securitize direction to take any action or refrain from taking any action, if implementing such direction would be a violation of applicable law or regulation. Issuer agrees that it shall, and shall instruct its Authorized Participants to, not direct Securitize to act in connection with the Securities if such action is subject to any restriction or prohibition on transfer to or from a securities intermediary in its capacity as such, and Securitize shall be protected in refusing to effect any such transfer. Securitize may conclusively and in good faith rely and act, or refuse to act, upon the records and information provided to it by or on behalf of Issuer and its prior transfer agent or recordkeeper without independent review and shall have no responsibility or liability for the accuracy or inaccuracy of such records and information.
- 14.2. Indemnification by Securitize.** Securitize shall defend, indemnify and hold Issuer and Issuer's Affiliates, and its and their officers, directors, managers, shareholders, members, employees, agents, representatives and successors and assigns ("**Issuer Indemnitees**") harmless from and against any loss, liability, damage or expense (including, without limitation, reasonable attorney's fees arising out of third party claims (collectively, "**Losses**") to which Issuer Indemnitees may become subject (a) arising out of or related to the Services, (b) arising out of or related to Securitize's breach of the representations and warranties in Section 15.2, or (c) based upon the existence of this Agreement, except those arising out of or otherwise related to (i) the willful misconduct, bad faith or gross negligence of Issuer or its Affiliates; (ii) any failure of Issuer or any Issuer Affiliate to comply with any applicable law, which, for the avoidance of doubt, includes any Applicable Laws; (iii) any material breach by Issuer of its obligations herein; ; or (iv) Claims that any Issuer Data or other materials provided by Issuer to be included or hosted by Securitize infringe the Intellectual Property Rights or other rights of any third party.
- 14.3. Indemnification by Issuer.** Issuer shall defend, indemnify, and hold Securitize and Securitize's Affiliates, and its and their officers, directors, managers, shareholders, members, employees, representatives and successors and assigns ("**Securitize Indemnitees**") harmless from and against any Losses to which Securitize Indemnitees may become subject based upon the offering of Securities and any action or inaction related thereto, except those arising out of or otherwise related to: (i) the willful misconduct, bad faith or gross negligence of the Securitize Indemnitees, (ii) any failure of any of the Securitize Indemnitees to comply with applicable law, which, for the avoidance of doubt, includes any Applicable Laws; (iii) any material breach by any of the Securitize Indemnitees of their obligations herein, , including but not limited to, any breach of any of the Securitize Indemnitees obligations under Sections 7.5 and 10 of this Agreement, or (iv) Claims that any of the Services or the Platform infringe, violate or misappropriate the intellectual property rights of any third party.
- 14.4. Procedure.** As an express condition to the indemnifying Party's obligation under this Section 10, the Party seeking indemnification must: (a) promptly notify the indemnifying Party in writing of the applicable Claim for which indemnification is sought; (b) tender control of the defense to the indemnifying Party; and (c) provide the indemnifying Party with non-financial assistance, information, and authority reasonably required for the defense and settlement of such Claim. The indemnified Party may select its own counsel and participate in the defense of a Claim if it chooses to do so, but at its own expense. The indemnifying Party may settle any Claim, to the extent it seeks a money payment, with or without the consent of the indemnified Party providing the settlement is a full and complete settlement of all Claims against the indemnified Party and the indemnifying Party satisfies the settlement payment obligation. The indemnifying Party must obtain the indemnified Party's prior written consent to any settlement to the extent it consents to injunctive relief or requires any admission of fault or any public statement or contains contract terms governing future activities that would materially affect the indemnified Party's business or interests, said consent not to be unreasonably withheld, conditioned, or delayed.

15. REPRESENTATIONS AND WARRANTIES

- 15.1. Authorization and Enforceability.** Each Party represents and warrants to the other Party that (a) it is duly organized, incorporated or established (as the case may be), and validly existing under the laws of its jurisdiction of organization, incorporation or establishment (as the case may be); (b) it has the legal power and authority to execute and deliver this Agreement; (c) the execution, delivery and performance of this Agreement by it have been duly authorized by all necessary actions and do not violate its organizational documents or any other material agreements to which it is a Party; and (d) this Agreement constitutes a legally valid and binding obligation of it enforceable against it in accordance with its terms, except as such enforcement may be limited by applicable law.
- 15.2. Securitize Representations and Warranties.** Securitize represents, warrants and agrees that (a) it has secured all licenses, registrations and other credentials necessary to provide the Services and it will maintain all such licenses, registrations and other credentials through the term of this Agreement (b) it will perform the Services in compliance with all Applicable Laws, (c) it shall provide the Services in a professional and workmanlike manner, (d) the Services and the Platform do not knowingly infringe, violate or misappropriate the intellectual property rights of any third party, (e) Securitize has the full right to provide Issuer with the Services as provided for herein, and (f) Securitize possesses and maintains physical security and electronic security measures for the Services and the Platform that meet or exceed industry standards
- 15.3. Issuer Representations and Warranties.** Issuer represents, warrants and agrees that (a) its use of the Services and Platform by Authorized Participants complies and will comply with all Applicable Laws, and all applicable anti-bribery, anti-money laundering, customer due diligence, know your clients, and anti-terrorist laws and regulations, (B) it shall make any and all registrations, filings and pay any and all fees required by Applicable Laws in connection with any Issuer Offering or the secondary trading of the Securities, (C) any Securities issued and outstanding on the date hereof have been duly authorized, validly issued and are fully paid and are non-assessable; and any Securities to be issued hereafter, when issued, shall have been duly authorized, validly issued and fully paid and will be non- assessable, (d) any Securities issued and outstanding on the date hereof have been duly registered under the Securities Act, and such registration has become effective, or are exempt from such registration; and shall have been duly registered under the Exchange Act, or are exempt from such registration, (e) any Securities to be issued hereafter, when issued, shall have been duly registered under the Securities Act, and such registration shall have become effective, or shall be exempt from such registration; and shall have been duly registered under the Exchange Act, or shall be exempt from such registration, and (f) Issuer has paid or caused to be paid all taxes, if any, that were payable upon or in respect of the original issuance of the Securities issued and outstanding on the date hereof.

15.4. Disclaimer. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN, SECURITIZE AND ITS SUPPLIERS EXPRESSLY DISCLAIM ALL WARRANTIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF NONINFRINGEMENT, TITLE, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE SECURITIZE MATERIALS ARE PROVIDED "AS IS". NO ORAL OR WRITTEN INFORMATION OR ADVICE GIVEN BY SECURITIZE OR ITS AFFILIATES, EMPLOYEES OR AGENTS WILL CREATE A WARRANTY OR IN ANY WAY INCREASE THE SCOPE OF ANY WARRANTY PROVIDED HEREIN.

16. LIMITATION OF LIABILITY

16.1. EXCEPT FOR LIMITED INDEMNIFICATION OBLIGATIONS AS EXPRESSLY PROVIDED FOR IN SECTION 14, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL EITHER PARTY OR ITS SUPPLIERS BE LIABLE TO THE OTHER PARTY, OR ANY OTHER PERSON OR ENTITY, FOR ANY INDIRECT, INCIDENTAL, COVER, SPECIAL, STATUTORY, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES OR ANY FINES OR PENALTIES, OR ANY LOSS OF OR HARM TO PROFITS, ASSETS, OPPORTUNITIES, OR DATA WHATSOEVER, ARISING FROM OR RELATED TO THIS AGREEMENT, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR IF SUCH DAMAGES ARE FORESEEABLE AND A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN ADDITION, SECURITIZE AND ITS AFFILIATES MAY CONSULT WITH COUNSEL AND ACCOUNTANTS IN RESPECT OF SECURITIZE'S AFFAIRS, INCLUDING, WITHOUT LIMITATION, WITH RESPECT TO APPLICABLE LAWS, AND BE FULLY PROTECTED AND JUSTIFIED IN ANY ACTION OR INACTION WHICH IS TAKEN IN GOOD FAITH AND IN ACCORDANCE WITH THE INFORMATION, REPORTS, STATEMENTS, ADVICE OR OPINION PROVIDED BY SUCH PERSONS, PROVIDED THAT THEY WERE SELECTED WITH REASONABLE CARE AND THE MATTER CONSULTED ON IS REASONABLY BELIEVED BY SECURITIZE AND ITS AFFILIATES TO BE WITHIN SUCH PERSONS' PROFESSIONAL OR EXPERT COMPETENCE.

16.2. EXCLUDING CLAIMS FOR FEES DUE PURSUANT TO SECTION 8.1 OF THIS AGREEMENT, AND INFRINGEMENT OF THE OTHER PARTY'S, OR A THIRD PARTY'S, INTELLECTUAL PROPERTY RIGHTS, OR A PARTY'S INDEMNIFICATION OBLIGATIONS PURSUANT TO SECTION 14, IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER PARTY OR ANY OTHER PERSON OR ENTITY WHETHER UNDER CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR ANY OTHER LEGAL OR EQUITABLE THEORY FOR ANY AMOUNTS IN EXCESS OF THE TOTAL AMOUNTS PAID OR PAYABLE BY ISSUER TO SECURITIZE UNDER THIS AGREEMENT DURING THE PREVIOUS TWELVE (12) MONTHS.

16.3. Allocation of Risk and Material Term. THE PROVISIONS OF THIS SECTION 16 ALLOCATE THE RISKS UNDER THIS AGREEMENT BETWEEN THE PARTIES AND ARE AN INTRINSIC PART OF THE BARGAIN BETWEEN THE PARTIES. THE FEES PROVIDED FOR IN THIS AGREEMENT REFLECT THIS ALLOCATION OF RISKS AND THE LIMITATION OF LIABILITY AND SUCH LIMITATION WILL APPLY NOTWITHSTANDING A FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY AND TO THE FULLEST EXTENT PERMITTED BY LAW.

17. GENERAL PROVISIONS

- 17.1. Notices.** All notices, demands, requests or other communications given under this Agreement shall be in writing and be given by personal delivery, certified mail, return receipt requested, or nationally recognized overnight courier service to the address set forth in the Order Form, or by electronic delivery to email or facsimile numbers as set forth in the Order Form, or to such address or email or facsimile numbers which have been subsequently designated by a Party by a notice made under this paragraph.
- 17.2. Publicity.** Either Party may disclose the existence of this Agreement including, without limitation, disclosure deemed reasonably necessary to comply with applicable law. Each Party will obtain the other Party's prior written consent prior to any press release that references such Party or this Agreement, said consent not to be unreasonably withheld, conditioned, or delayed. Notwithstanding the foregoing, the other terms and conditions of this Agreement remain the Confidential Information of both Parties.
- 17.3. Independent Contractor Status; No Fiduciary Duties.** It is expressly agreed and understood that Securitize (and any officer, director, employee, Affiliate, agent or other representative of Securitize) is at all times acting as an independent contractor to Issuer, and is neither an employee, nor agent of or on behalf of, Issuer. Each Party specifically disclaims and waives the formation of any fiduciary relationship between them under or in relation to this Agreement and the Services. Issuer acknowledges and agrees that (i) Securitize is not a registered investment advisor nor a broker-dealer, (ii) Securitize is not providing any legal, tax, investment or marketing advice, (iii) no Authorized Person or any other person was or will be solicited by Securitize or will be referred by Securitize to any third party, (iv) Securitize has no role in effectuating or otherwise executing the sale or issuance of any Securities for Issuer and does not communicate with any Authorized Person or any other person regarding the suitability of an investment in Securities and (v) Securitize is not involved in the drafting or review of white papers or offering memoranda and in no event shall Securitize be liable to Issuer, to any Authorized Person or any other person for any losses arising out of any statements or omissions therein.
- 17.4. No Waiver or Modification.** This Agreement may not be amended, modified or terminated orally, and no amendment, modification, or attempted waiver of any of the provisions hereof shall be binding unless in writing and executed by authorized representatives of both Parties.
- 17.5. Severability.** Should any provision hereof be deemed, for any reason whatsoever, to be invalid or inoperative, such provision shall be deemed severable and shall not affect the force and validity of other provisions of this Agreement.

- 17.6. Governing Law and Dispute Resolution by Arbitration.** This Agreement shall be interpreted in accordance with the laws of the State of Delaware, (excluding conflict of laws rules) as applied to agreements entered into and to be performed entirely within the State of Delaware between Delaware residents, without giving effect to any conflict of law principles that would require the application of the laws of a different jurisdiction. The U.N. Convention on Contracts for the International Sale of Goods shall not apply to this Agreement. Any controversy or claim arising out of or relating to this contract, or the breach thereof, shall be determined by arbitration administered by the American Arbitration Association/International Centre for Dispute Resolution (www.adr.org) in accordance with its Commercial Arbitration Rules (or International Arbitration Rules if applicable); the number of arbitrators shall be three, the place of arbitration shall be San Francisco, California, and the language of the arbitration shall be English. Each Party acknowledges that any actual or threatened breach of **Section 10** may cause the other Party irreparable harm for which money damages may not be an adequate remedy, and that injunctive relief may be an appropriate remedy for such breach in arbitration and in any court of competent jurisdiction.
- 17.7. Attorney's Fees.** In any action or proceeding to enforce rights or obligations under this Agreement, the substantially prevailing Party shall be entitled to recover in addition to any other costs or damages awarded, all reasonable costs, including, but not limited to expert witness' fees and attorneys' fees, as determined by a court of competent jurisdiction in a final non-appealable judgment.
- 17.8. Force Majeure.** No failure, delay or default in performance of any obligation of either Securitize or Issuer, including without limitation, with respect to the Services or Platform, shall constitute an event of default or breach of this Agreement to the extent that such failure to perform, delay or default arises out of a cause, existing or future, that is beyond the control and without negligence of such Party, including, without limitation, action or inaction of governmental, civil or military authority, change in law, fire, strike, lockout or other labor dispute, flood, terrorist act, war, or riot, theft earthquake and other natural disaster (a "Force Majeure Event"). In addition, no failure, delay or default in performance of Securitize, including without limitation, with respect to the Services or Platform, shall constitute an event of default or breach of this Agreement to the extent that such failure to perform, delay or default arises out of a cause, existing or future, that is beyond the control and without negligence of Securitize, including, without limitation errors of implementation (e.g., "bugs" and classic coding errors), errors of design, and errors resulting from unexpected interaction of various code modules or systems, failures of such systems or equipment, interruptions in access to or the operations of such systems or equipment; loss of functionality of such systems or equipment; degradation or corruption of such systems or equipment; compromises in the security or integrity of such systems or equipment; loss of power to such systems or equipment; and other situations that adversely affect such systems or equipment, however caused or occurring. The Party affected by such cause shall (i) provide prompt notice to the other party, stating the period of time the occurrence is expected to continue, and (ii) use diligent efforts to end the failure or delay and minimize the effects of such Force Majeure Event. Notwithstanding the foregoing or any other provisions of this Agreement, in no event shall any shutdown, disruption, or malfunction of the Services or Platform or any of the telecommunication or internet services of a party, other than as a result of general and widespread internet or telecommunications failures that are not limited to the Services and Platform, be considered a Force Majeure Event.

- 17.9. Assignment.** Either Party may assign this Agreement in connection with the sale of all, or substantially all, of its business (whether by merger, consolidation, transfer of control, sale of assets, operation of law or otherwise) upon not less than thirty (30) days written notice of such proposed sale and assignment to the other Party, provided that any proposed assignee assumes all rights and obligations of the assigning Party under the Agreement and is ready, willing and able to do so. Furthermore, either Party may assign this Agreement, with thirty (30) days written notice to the other Party, to any of its subsidiaries or affiliates. Any other attempt to assign this Agreement without prior written consent shall be null and void; provided that Securitize may perform any of the Services, and share fees received from Issuer with, subcontractors at its sole discretion, provided that such use of subcontractors shall not relieve Securitize of any of its obligations pursuant to this Agreement.
- 17.10. Counterparts.** This Agreement may be executed in counterparts, each of which is deemed to be an original and all of which together constitute one and the same agreement. Each Party may sign this Agreement using an electronic or handwritten signature, which are of equal effect, whether on original or electronic copies. Each copy of this Agreement bearing the facsimile transmitted signature of the authorized representatives of each of the Parties shall be deemed to be an original.
- 17.11. Entire Agreement.** The provisions herein constitute the entire agreement between the Parties and supersede all prior agreements, oral or written, and all other communications between the Parties, including any and all supplier or distribution agreements and purchase orders. No term or condition contained in any document provided by one party to the other Party pursuant to this Agreement shall be deemed to amend, modify, or supersede or take precedence over the terms and conditions contained herein; provided, however, that to the extent the terms and conditions of an exhibit under this Agreement may conflict, the exhibit shall control as to its subject matter.

[Signatures on next page]

IN WITNESS WHEREOF, the Parties acknowledge that each has fully read and understood this Agreement, and intending to be legally bound thereby, executed this Agreement on the date set forth below.

SECURITIZE LLC

By: /s/ Jamie Finn
Name: Jamie Finn
Title: Co-Founder/President
Date: December 24, 2020

EXODUS MOVEMENT,INC.

By: /s/ Jon Paul Richardson
Name: Jon Paul Richardson
Title: Chief Executive Officer
Date: December 24, 2020

EXHIBIT A: ("ORDER FORM")

This Order Form is entered into as of December 23, 2020 ("**Order Form Effective Date**") in accordance with the terms of the **PLATFORM SERVICES, TRANSFER AGENT AND REGISTRAR AGREEMENT**, dated December 23 (the "**Agreement**"), entered into by and between **Securitize LLC**, a Delaware limited liability company ("**Securitize**"), and **Exodus Movement, Inc.**, a Delaware corporation ("**Issuer**"). Any capitalized terms below not defined in the Order Form shall have the meanings set forth in the Agreement.

1. DESCRIPTION OF ISSUER OFFERING

- Class A Common Stock

2. FEES

Service	Description	Fee	Due Date
Customer Onboarding/Investor Relations Portal available within the Exodus Wallet	<p>Part I: Issuer Management Dashboard</p> <p>Dashboard for issuer to manage investors, issuances, cap tables, admin and transfer agent functions. (note: this is non-investor facing)</p> <p>Part II: Investor On-boarding</p> <p>Securitize APIs for individual investors to access issuer data to accredited investors, non-accredited investors, and international investors in the United States and 50+ countries along with the requirements for Reg A offerings.</p> <p>Integration of applicable Securitize APIs into the Exodus Wallet, so that (i) investor onboarding can occur by clicking a link in the Exodus Wallet, which will send the investor to a Securitize website to open an account with Securitize and (ii) after completing the onboarding process, the investor will click on a link back to the Exodus Wallet to complete the process of purchasing shares of stock through applicable Securitize APIs.</p>	\$30,000 (40% Discount)	Due and payable on the Order Form Effective Date.

Service	Description	Fee	Due Date
Issuance of Securities	Issuance of shares of Class A common stock to investors, which will be reflected by the generation of Digital Tokens	\$ 10,000	Due and payable prior to any issuance.
Support	Dedicated developer to support integration into the Exodus Wallet, updates, manage feedback, site hosting and maintenance.	\$2,000/month	Invoices to be sent by the 5 th of the month following services
Transfer Agent Services	Cap Table Management, Lost and Stolen Securities and Dividend Distribution Management	0 - 500 Investors: \$750/mo 50 - 000 Investors: \$,000/mo 00 - 2000 Investors: \$,250/mo 200 + Investors: \$,500/mo	Invoices to be sent by the 5 th of the month following services; quantity determined based on the count at the end of the month of services. Invoices are due upon receipt.
KYC/AML	Know-Your-Customer (KYC) and Anti-Money Laundering checks during onboarding of investors	\$500 Annually for Individuals (paid upfront) \$50/entity	Invoices to be sent by the 5 th of the month following services; quantity determined based on the count at the end of the month of services. Invoices are due upon receipt.
Yearly Tax Form Generation	Preparation of yearly 099 forms for investors.	\$7.00/year/investor	Due and payable on December 5th of each calendar year.
Distribution Payouts	Distribution of payouts to investors	TBD - fees deducted from investor payment	Due and payable at time of distribution.
Secondary Market Integration Support	Tech integration with secondary marketplaces to manage ongoing compliance around trading and data management	\$250/month/marketplace	Invoices to be sent by the 5 th of the month following services; quantity determined based on the count at the end of the month of services. Invoices are due upon receipt.

Any work or customization requests by Issuer not explicitly described herein shall be subject to additional negotiation and fees. Issuer shall be billed for such fees that are mutually agreed in writing and, denoted in a supplemental Order Form, prior to beginning work on such requests.

Securitize will issue invoices for fees on the applicable Due Date referenced above. Invoices may be sent electronically and delivered to Issuer at:

Issuer:	Exodus Movement, Inc.
ADDRESS:	15418 Weir Street, No. 333
PHONE:	+1 (833) 992-2566
ATTENTION:	Accounting
EMAIL:	accounting@exodus.io

3. ORDER FORM TERM AND RENEWAL.

This Order Form shall be effective on the Order Form Effective Date and shall terminate two (2) years from the Order Form Effective Date (the "Initial Term") unless early terminated pursuant to the terms of the Agreement.

4. INTEGRATION OF APPLICABLE SECURITIZE API INTO EXODUS WALLET.

During the Term of this Agreement, Securitize shall (i) promptly respond to any reasonable inquiries from Issuer with respect to the integration of the applicable Securitize APIs into the Exodus Wallet and (ii) provide Issuer with all of the software APIs and supporting information and documentation that Issuer reasonably requires to integrate the Securitize API into the Exodus Wallet. Securitize shall provide a direct support channel to Issuer, to assist with any issues in relation to the Securitize API and its integration. In integrating the Securitize API into the Exodus Wallet, Issuer shall comply with all applicable statutes and regulations, including, but not limited to, any applicable regulations of, or published guidance from OFAC or any other applicable regulatory authority.

Subject to the other terms and conditions of this Agreement, Securitize grants to Issuer, during the Term of this Agreement, a limited, royalty-free, paid-up, worldwide, non-exclusive, and non-transferable right and license to (i) execute and use Securitize API in the Exodus Wallet, (ii) use Securitize's copyrighted work embodied in the Securitize Platform for the sole purpose of Issuer executing its duties under this Agreement, and (iii) use Securitize's trademark (both word mark and logo) in the Exodus Wallet software application and *exodus.io* website.

Subject to the other terms and conditions of this Agreement, Issuer grants to Securitize, during the Term of this Agreement, a limited, royalty-free, paid-up, worldwide, non-exclusive, and non-transferable right and license to use Issuer's trademark (both word mark and logo) in the Securitize Platform for the sole purpose of Securitize executing its duties under this Agreement.

Securitize and Issuer agree that the integration of the Securitize API into the Exodus Wallet shall be implemented so that (i) investor onboarding can occur by clicking a link in the Exodus Wallet, which will send the investor to the website of Securitize to open an account with Securitize; (ii) after completing the onboarding process, the investor will click on a link back to the Exodus Wallet to complete the process of purchasing shares of stock through applicable Securitize APIs; (iii) in the Exodus Wallet, the Securitize app (or user interface component) would have an access token that will permit an investor to have continued access to the same session in the Securitize account for 365 days after the initial date of login. (Note: As long as the investor does not invalidate their session in some way, i.e., requiring this for security reasons or because they request a password change on Securitize iD); and (iv) Past the initial session creation, the actions related with the initial gathering of investor information for KYC purposes, as well as the rest of the investment process will be effected from within the Exodus Wallet, communicating the information to Securitize through applicable Securitize APIs. This is notwithstanding Securitize needing to reach the investor in case some clarification needs to be provided on their information for the integrity of the KYC process.

[Signatures on next page]

IN WITNESS WHEREOF, the Parties acknowledge that each has fully read and understood this Order Form, and intending to be legally bound thereby, executed this Agreement on the date set forth below.

SECURITIZE LLC

By: /s/ James H Finn
Name: James H Finn
Title: Co-Founder / President
Date: December 24, 2020

EXODUS MOVEMENT,INC.

By: /s/ Jon Paul Richardson
Name: Jon Paul Richardson
Title: Chief Executive Officer
Date: December 24, 2020

EXHIBIT B ("SERVICE LEVELS AND SUPPORT")

Subject to the terms and conditions of the Agreement, Securitize and/or its Affiliates will make the Platform and the Securitize Services available to Issuer subject to the following service level requirements and limitations commencing upon the Effective Date:

1. AVAILABILITY/UPTIME FOR THE SECURITIZE ENVIRONMENT

- 1.1. **Securitize Environment.** The "**Securitize Environment**" consists of the servers, storage and networking hardware, operating systems, database management systems and operating systems, as well as computers owned or used by Securitize and those of its agents, that are used in or required to be provided by Securitize to provide the Platform services to Issuer.
- 1.2. **Issuer Environment.** The "**Issuer Environment**" consists of Issuer's or third party servers, storage and networking hardware, operating systems, Internet connectivity, database management systems and operating platforms and all application software, as well as computers owned by Issuer and those of its agents and Affiliates, that are required to be provided by Issuer in relation to its authorized use of the Platform under the Agreement.
- 1.3. **SLA.** The following is the Service Level Agreement ("**SLA**") for the Platform:
 - 1.3.1. **Scheduled Maintenance.** Periodic maintenance on the servers and system elements that support the Securitize Environment, for purposes of system upgrades, maintenance, and backup procedures ("**Scheduled Maintenance**") will be scheduled by Securitize. Primary hours of Securitize service level standard support operations are 24x7, less Scheduled Maintenance. Scheduled Maintenance up to two (2) days per month, between the hours of 11:00 p.m. and 3:00 a.m., Pacific Time, or on some other schedule as determined by Securitize. If emergency maintenance is needed to fix critical security vulnerabilities, Securitize will notify Issuer as soon as possible. Issuer acknowledges that it may be necessary for Securitize to begin work and/or apply fixes prior to notification of Issuer. Notification of Scheduled Maintenance will be sent via email at least 7 days in advance. Notification of emergency maintenance will both be called into Issuer at and sent via email to the email address identified in the Order Form as soon as is technically feasible.
 - 1.3.2. **"Business Hours"** means 24 hours a day, 7 days a week in each year of the Term, less the times of Scheduled Maintenance up to two (2) days per month, between the hours of 11:00 p.m. and 3:00 a.m., Pacific Time (or on some other schedule as determined by Securitize), with Securitize providing written notice to Issuer via email to the email address identified in the Order Form at least 1 day in advance.
 - 1.3.3. **Unscheduled Maintenance.** The application of ad hoc updates to the Platform ("**Updates**") will be scheduled by Securitize in the event it is necessary for such Updates to occur outside of the Scheduled Maintenance times ("**Unscheduled Maintenance**"). Notification of Unscheduled Maintenance will be sent via email to the email address identified in the Order Form at least 1 day in advance.

1.3.4. Securitize Environment Service Level. In addition to Scheduled Maintenance and Unscheduled Maintenance, there may be events that from time to time will make the Securitize Environment not Available (as defined below) for a limited amount of time due to unforeseen software, hardware, network, power and/or Internet outages ("Unscheduled Downtime"). Notwithstanding anything herein to the contrary, Securitize shall have no liability for any failure to meet the Environment Performance Requirement set forth herein in the event that: (a) such failure is caused by independent, external circumstances that are not within the reasonable control of Securitize; (b) the outage condition is not directly caused by the Securitize Environment (e.g., outages caused by plant issues, operational or maintenance errors in Issuer Environment); or (c) the failure by Issuer to implement any fixes, patches or other workarounds recommended by Securitize to Issuer to the extent the implementation of such fixes, patches or other workarounds are technically feasible and commercially practical.

1.3.5. Environment Performance Requirement. Securitize and/or its Affiliates will operate the Securitize Environment, as set forth below, to be Available and functioning within the relevant SLA defined herein, measured on a monthly basis (the "Environment Performance Requirement"). For the purposes of this SLA Addendum, "Available" means that the Securitize Environment is accessible based on SLA measurement techniques for ninety-nine and five tenths percent (99.5%) of the time 24 hours a day, seven days per week, excluding Scheduled Maintenance or any loss or interruption of services resulting from actions or inactions of Issuer, or their respective equipment or service providers. Actual availability percentage will be calculated with the following formula:

- 1. 100% minus [(X) Total Unscheduled Downtime and Unscheduled Maintenance minutes in a month; divided by (Y) total minutes in said month); multiplied by (Z) 100%] = availability percentage
- 2. Uptime measurements are on fifteen minute intervals, utilizing Keynote UP5 measurements or another equivalent, technically feasible and commercially-reasonable measurement technique.

2. SUPPORT SERVICES

2.1. Support Service Issues. Support service issues are grouped into the following three levels, in each case pertaining to issues that are caused by and in the sole control of Securitize, and excluding, for example, problems caused by Issuer or the Issuer Environment.

Service Level	Definition
P1	Severe problems with Platform resulting in complete work stoppage for a large number of users. No alternatives or work-around identified and work cannot continue.
P2	Critical issue which interferes with investors accessing the Platform or making an investment using the standard flow.
P3	Issue which interferes with a minor function of Platform but an acceptable work-around is in place.

- 2.2. Target Response Times.** Securitize and/or its Affiliates will notify and respond to Issuer regarding a reported issue as soon as an issue is noted within the response times below:

Service Level	Target Response Times
P1	2 Business Hours
P2	4 Business Hours
P3	Within 7 days

- 2.2.1. Updates.** Securitize and/or its Affiliates shall provide an update by email to a mutually agreed upon distribution list each hour in the case of P1 problems and every 4 hours in the case of P2 problems.
- 2.2.2. Online Technical Support System.** Issuer shall have direct access 24 hours per day, 7 days per week, 365 days per year, to Securitize or its Affiliates' online technical support system to report any service issues. In the event of a failure in the case of P1, or in the case of P2 a multiple failure, on the part of Securitize to achieve target response times, Securitize will promptly apply additional technical resources to the problems, including without limitation, Securitize's technical resources most knowledgeable about the problems. This addition of resource shall continue until all relevant technical resources have been applied and/or the relevant problem has been resolved. In such cases and at Issuer's request, Securitize shall promptly supply Issuer with a list of all technical resources working to resolve the problem.
- 3. ISSUER OBLIGATIONS**
- 3.1. General; Compliance with Procedures.** Issuer shall at all times comply with Securitize's policies, procedures and controls, as relevant, that Securitize has provided to Issuer in writing prior to the Effective Date.
- 3.2. Issuance Size Notification.** Issuer shall at all times provide true and accurate information to Securitize concerning Issuer's authorized and outstanding securities. Issuer must notify Securitize of any changes to the number of authorized and outstanding securities in writing at compliance@securitize.io, or any other email address selected by Securitize, promptly after any change is made. Securitize shall have the right to restrict any follow on, secondary, or any increases of Issuer's outstanding Class A Common Stock in the event that Issuer has failed to make adequate disclosure to investors or similar regulatory compliance issues.
- 3.3. Control Affiliate Certification.** Prior to the commencement of any issuance, Issuer shall provide a true and accurate list of all "affiliates" for purposes of Rule 144 of the Securities Act of 1933, as amended. Issuer shall provide Securitize with a quarterly update certificate, to be delivered within five (5) days of the end of each fiscal quarter, specifying whether there have been any changes to their previously provided affiliate list. Additionally, on an ongoing basis, Issuer shall promptly notify Securitize in writing when any new persons or entities attain affiliate status during a fiscal quarter.

EXHIBIT C: DATA PROTECTION (EU DATA SUBJECTS)

1. Definitions

In this Exhibit C, the following terms shall have the meanings set out below. Capitalized terms used in this Exhibit C but not defined shall have the meaning set out in the Agreement.

"EU Data Subject" means an identified or identifiable natural person who is domiciled in the European Union, Switzerland, and the United Kingdom.

"Data Subject Request" means a request made by an EU Data Subject to exercise any rights of data subjects under applicable EU Data Protection Laws.

"Delete" means the removal or obliteration of EU Personal Data such that it cannot be recovered or reconstructed.

"EU Data Protection Laws" means any applicable law regarding the processing, privacy and use of EU Personal Data including any laws and regulations of the European Union, the European Economic Area and their member states, Switzerland, and the United Kingdom including the GDPR and the UK Data Protection Act 2018.

"EU Personal Data" means any personal data of an EU Data Subject as processed by Securitize or any Sub-Processor on behalf of Issuer, pursuant to or in connection with the Agreement.

"GDPR" means the EU General Data Protection Regulation 2016/679.

"Personal Data Breach" means a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, EU Personal Data transmitted, stored or otherwise processed.

"Standard Contractual Clauses" means the Standard Contractual Clauses (processors) set out in Decision 2010/87/EC and included in Annex 4 to this Exhibit C.

"Sub-Processor" means any person (including a third party) appointed by or on behalf Securitize to process EU Personal Data on behalf of Issuer in connection with the Services.

"Supervisory Authority" means any local, national or multinational agency, department, official, parliament, public or statutory person or any government or professional body, regulatory or supervisory authority, board or other body responsible for administering applicable EU Data Protection Laws.

In this Exhibit C references to **"controller"**, **"data subject"**, **"personal data"**, **"processor"** and **"processing"** shall have the meanings ascribed to them in the GDPR and their cognate terms shall be construed accordingly.

2. Data Processing

2.1 The Parties acknowledge and agree that some or all of the Services to be provided by Securitize pursuant to this Agreement may involve Securitize processing EU Personal Data and that Issuer will be a controller and Securitize will be the processor when processing such EU Personal Data pursuant to this Agreement.

2.2 Securitize shall:

- (a) comply with applicable EU Data Protection Laws when processing EU Personal Data; and
- (b) only process EU Personal Data in accordance with Issuer's documented written instructions or as otherwise agreed in writing between the Parties, and is prohibited from processing personal data for any other purpose. Issuer's instructions are documented in this Exhibit C and any applicable Statement Of Work.

2.3 Annex 1 to this Exhibit C sets out the scope, nature, purpose of the processing by Securitize the duration of the processing, the types of EU Personal Data and the categories of EU Data Subjects.

3. Technical and organisational measures and security

3.1 Taking into account the state of the art, the costs of implementation and the nature, scope, context and purposes of processing as well as the risk of varying likelihood and severity for the rights and freedoms of natural persons, Securitize shall implement and maintain, appropriate technical and organisational measures in relation to the processing of EU Personal Data by Securitize to ensure a level of security appropriate to that risk including, as appropriate, the measures referred to in applicable EU Data Protection Laws.

3.2 Securitize must implement appropriate technical and organizational measures to ensure that any employee, agent or contractor of Securitize or any Sub-Processor do not process EU Personal Data except on the instructions of Issuer. Securitize must ensure that any employee, agent or contractor of Securitize or any Sub-Processor who may have access to EU Personal Data are subject to confidentiality undertakings or other contractual, professional or statutory obligations of confidentiality.

4. Sub-Processors

4.1 Issuer authorizes Securitize to appoint (and permits each Sub-Processor appointed in accordance with this paragraph 4 to appoint) Sub-Processors in accordance with this paragraph 4.

4.2 Securitize may continue to use those Sub-Processors already engaged by Securitize as at the date of this Agreement including Amazon Web Services. The Sub-Processors, as of the date of this Agreement, are as follows: Amazon Web Services.

4.3 Securitize shall give Issuer notice of the appointment of any new Sub-Processor. If, within ten (10) business days of receipt of that notice, Issuer notifies Securitize in writing of any objections (on reasonable grounds) to the proposed appointment, Securitize shall not appoint that proposed Sub-Processor until reasonable steps have been taken to address the objections raised by Issuer and Issuer has been provided with a reasonable written explanation of the steps taken. Where Securitize is unable to address the objections raised by Issuer, notwithstanding any other provisions in this document, either Party may by written notice to the other Party with immediate effect terminate this Agreement. Securitize must obtain sufficient guarantees from all Sub-Processors that they will implement appropriate technical and organizational measures in such a manner that the processing will meet the requirements of EU Data Protection Laws. Securitize must enter into a written agreement with all Sub-Processors which imposes the same obligations on the Sub-Processors as this Exhibit C imposes on Securitize. Securitize must provide a copy of Securitize's agreements with Sub-Processors to Issuer upon request. If any Sub-Processor fails to fulfil its obligations under EU Data Protection Laws, this Exhibit, or the agreements between Securitize and Sub-Processor, Securitize will be fully liable to Issuer for the performance of such obligations

5. EU Data Subject rights

Securitize shall:

- (a) notify Issuer without undue delay if it receives a Data Subject Request in respect of any EU Personal Data; and
- (b) use commercially reasonable efforts to assist Issuer in dealing with any Data Subject Requests.

6. Data protection impact assessment and audit

6.1 Securitize shall provide commercially reasonable assistance to Issuer with any data protection impact assessments, and prior consultations with Supervisory Authorities which Issuer reasonably considers to be required by Article 35 or 36 of the GDPR in each case solely in relation to processing of EU Personal Data by Securitize and taking into account the nature of the processing and information available to Securitize.

6.2 Issuer agrees to exercise its right to conduct an audit or inspection under EU Data Protection Laws by instructing Securitize or its Sub-Processors to carry out the audit described in paragraph 6.3 (below). If Issuer wishes to change this instruction regarding audit, then Issuer has the right to request a change to this instruction by sending Securitize a written notice as provided in clause 17.1 of the Agreement.

6.3 Securitize and its Sub-Processors verify the adequacy of its technical and organisational security measures by performing an audit at least once annually.

7. Incident and breach notification

Securitize, on becoming aware of a Personal Data Breach shall:

- (a) notify Issuer without undue delay and no later than 48 hours after becoming aware of the occurrence of such Personal Data Breach; and

(b) provide Issuer with sufficient information as is reasonably available to allow Issuer to meet any of its obligations to report a Personal Data Breach or to inform EU Data Subjects under applicable EU Data Protection laws. In particular, Securitize must, either in the initial notice or in subsequent notices as soon as the information becomes available, inform Issuer of the nature of the Personal Data Breach, the categories and number of data subjects, the categories and amount of personal data, the likely consequences of the Personal Data Breach, and the measures taken or proposed to be taken to address the Personal Data Breach and mitigate possible adverse effects. If Securitize's notice or subsequent notices are delayed, they must be accompanied by reasons for the delay.

8. Deletion or Return of Personal Data

8.1 Subject to paragraph 8.2 of this Exhibit C, Securitize shall on receipt of a written request from Issuer upon termination of the Services:

- (a) return a complete copy of all EU Personal Data it and each Sub-Processor has in current possession, to Issuer by secure file transfer; and /or
- (b) Delete and procure the Deletion of all copies of EU Personal Data held by itself and any Sub-Processor.

8.2 Notwithstanding paragraph 8.1 of this Exhibit C, the Parties agree that Securitize and each Sub-Processor may retain EU Personal Data to the extent required by and for such period as required by applicable EU laws.

9. Transfer outside the European Economic Area

9.1 Each of Securitize (as "data importer") and Issuer (as "data exporter") hereby enter into these Standard Contractual Clauses in connection with any transfer of EU Personal Data where an appropriate safeguard is to be implemented in accordance with Article 46 of the GDPR. If compliance with the Standard Contractual Clauses, including because an updated set of Standard Contractual Clauses enters into force, is affected by circumstances outside of Securitize's control, Issuer and Securitize will work together in good faith to reasonably resolve such non-compliance.

Annex 1 to Exhibit C

This Annex 1 includes certain details of the processing of EU Personal Data as required by Article 28(3) of the GDPR.

Subject Matter of processing	The performance of the Services under this Agreement.
Duration of processing	<p>The processing shall continue until the later of:</p> <p>the Agreement being terminated in accordance with its terms and any notice period or transition period prescribed by Agreement having expired; and</p> <p>Securitize no longer being subject to an applicable legal or regulatory requirement to continue to store the EU Personal Data.</p>
Nature and purpose of processing	<p>The processing of Personal Data is being conducted in order to facilitate the performance of the Services. Securitize will be storing data, accessing data and sharing data with affiliates in order to manage the (i) AML/KYC identification of investors and confirming the accreditation status of investors, (ii) issuance of shares of Class A Common Stock to investors in exchange for subscription payments, (iii) facilitating authorized transfers of Class A Common Stock to the stockholders, (iv) providing stockholder reports to Issuer, and (v) conducting other activities that are ancillary to providing the Services to Issuer or meeting regulatory compliance requirements.</p>
Types of EU Personal Data	<p>The types of Personal Data from Authorized Participants includes: name, home address, personal email address, personal telephone number, copy of ID card, bank account, cryptocurrency wallet address, nationality, date of birth, government identification number, salary and asset amount information.</p>
Categories of EU Data Subject	<p>Securitize collects Personal Data from Authorized Participants. The categories of natural persons that provide Personal Data to Securitize include application end-users and customers (along with contact persons and representatives.)</p>
Obligations and rights of Issuer (as controller)	<p>As set out in this Agreement.</p>

POPULATION OF APPENDIX 1 OF THE STANDARD CONTRACTUAL CLAUSES

Data exporter

The data exporter is Exodus Movement. Inc.

Data importer

The data importer is Securitize LLC.

Data subjects

The personal data transferred concern the following categories of data subjects:

This section is deemed to be populated with the content of the section headed "Categories of Data Subject" in Annex 1 to this Exhibit D.

Categories of data

The personal data transferred concern the following categories of data:

This section is deemed to be populated with the content of the section headed "Types of Personal Data" in Annex 1 to this Exhibit D.

Special categories of data (if appropriate)

The personal data transferred concern the following special categories of data: No special categories of EU Personal Data are processed.

Processing operations

The personal data transferred will be subject to the following basic processing activities:

The processing operations are processing of personal data as necessary to provide the Services as set out in the Agreement.

Technical and Organizational Measures

- 1.1 The technical and organizational measures (the "**Measures**") set out within clause 7.5 of this Agreement shall apply wherever EU Personal Data is processed by Securitize (i.e. whether processing is undertaken the EEA or elsewhere), unless otherwise expressly stated and agreed between the Parties in writing.
- 1.2 The Measures shall be deemed to populate Appendix 2 of the Standard Contractual Clauses.
- 1.3 Securitize will, at a minimum, implement the following types of security measures:

1. Physical access control

Technical and organizational measures to prevent unauthorized persons from gaining access to the data processing systems available in premises and facilities (including databases, application servers and related hardware), where Personal Data are Processed, include:

- ☐ Establishing security areas, restriction of access paths;
- ☐ Establishing access authorizations for employees and third parties;
- ☐ Door locking (electric door openers etc.); and
- ☐ Securing decentralized data processing equipment and personal computers.

2. Virtual access control

Technical and organizational measures to prevent data processing systems from being used by unauthorized persons include:

- ☐ User identification and authentication procedures;
- ☐ ID/password security procedures (special characters, minimum length, change of password);
- ☐ Automatic blocking (e.g. password or timeout);
- ☐ Monitoring of break-in-attempts and automatic turn-off of the user ID upon several erroneous passwords attempts;
- ☐ Creation of *one* master record per user, user-master data procedures per data processing environment; and
- ☐ Encryption of archived data media.

3. Data access control

Technical and organizational measures to ensure that persons entitled to use a data processing system gain access only to such Personal Data in accordance with their access rights, and that Personal Data cannot be read, copied, modified or deleted without authorization, include:

- ☐ Internal policies and procedures;
- ☐ Control authorization schemes;
- ☐ Differentiated access rights (profiles, roles, transactions and objects);
- ☐ Monitoring and logging of accesses;
- ☐ Disciplinary action against employees who access Personal Data without authorization;
- ☐ Reports of access;
- ☐ Access procedure;
- ☐ Change procedure;
- ☐ Deletion procedure; and
- ☐ Encryption.

4. Disclosure control

Technical and organizational measures to ensure that Personal Data cannot be read, copied, modified or deleted without authorization during electronic transmission, transport or storage on storage media (manual or electronic), and that it can be verified to which companies or other legal entities Personal Data are disclosed, include:

- ☐ Encryption/tunneling;
- ☐ Logging; and
- ☐ Transport security.

5. Entry control

Technical and organizational measures to monitor whether Personal Data have been entered, changed or removed (deleted), and by whom, from data processing systems, include:

- ☐ Logging and reporting systems; and
- ☐ Audit trails and documentation.

6. Control of instructions

Technical and organizational measures to ensure that Personal Data are Processed solely in accordance with the instructions of the Controller include:

- ☐ Unambiguous wording of the contract;
- ☐ Formal commissioning (request form); and
- ☐ Criteria for selecting the Processor.

7. Availability control

Technical and organizational measures to ensure that Personal Data are protected against accidental destruction or loss (physical/logical) include:

- ☐ Backup procedures;
- ☐ Mirroring of hard disks (e.g. RAID technology);
- ☐ Uninterruptible power supply (UPS);
- ☐ Remote storage;
- ☐ Anti-virus/firewall systems; and
- ☐ Disaster recovery plan.

8. Separation control

Technical and organizational measures to ensure that Personal Data collected for different purposes can be Processed separately include:

- ☐ Separation of databases;
- ☐ "Internal client" concept / limitation of use;
- ☐ Segregation of functions (production/testing); and
- ☐ Procedures for storage, amendment, deletion, transmission of data for different purposes.

STANDARD CONTRACTUAL CLAUSES (PROCESSORS) SET OUT IN DECISION 2010/87/EC

1. DEFINITIONS

For the purposes of the Clauses:

(a) personal data, special categories of data, process/processing, controller, processor, data subject and supervisory authority shall have the same meaning as in Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data (1);

(b) the data exporter means the controller who transfers the personal data;

(c) the data importer means the processor who agrees to receive from the data exporter personal data intended for processing on its behalf after the transfer in accordance with its instructions and the terms of the Clauses and who is not subject to a third country's system ensuring adequate protection within the meaning of Article 25(1) of Directive 95/46/EC;

(d) the sub-processor means any processor engaged by the data importer or by any other sub-processor of the data importer who agrees to receive from the data importer or from any other sub-processor of the data importer personal data exclusively intended for processing activities to be carried out on behalf of the data exporter after the transfer in accordance with its instructions, the terms of the Clauses and the terms of the written subcontract;

(e) the applicable data protection law means the legislation protecting the fundamental rights and freedoms of individuals and, in particular, their right to privacy with respect to the processing of personal data applicable to a data controller in the Member State in which the data exporter is established;

(f) technical and organizational security measures means those measures aimed at protecting personal data against accidental or unlawful destruction or accidental loss, alteration, unauthorized disclosure or access, in particular where the processing involves the transmission of data over a network, and against all other unlawful forms of processing.

2. DETAILS OF THE TRANSFER

The details of the transfer and in particular the special categories of personal data where applicable are specified in Annex A which forms an integral part of the Clauses.

3. THIRD-PARTY BENEFICIARY CLAUSE

The data subject can enforce against the data exporter this Clause 3, Clause 4(b) to Clause 4(i), Clause 5(a) to Clause 5(e) and Clause 5(g) to Clause 5(j), Clause 6.1 and Clause 6.2, Clause 7, Clause 8.2 and Clause 9 to Clause 12 as third-party beneficiary.

The data subject can enforce against the data importer this Clause, Clause 5(a) to Clause 5(e) and Clause 5(g), Clause 6, Clause 7, Clause 8.2 and Clause 9 to Clause 12, in cases where the data exporter has factually disappeared or has ceased to exist in law unless any successor entity has assumed the entire legal obligations of the data exporter by contract or by operation of law, as a result of which it takes on the rights and obligations of the data exporter, in which case the data subject can enforce them against such entity.

3.1 The data subject can enforce against the sub-processor this Clause 3.1, Clause 5(a) to Clause 5(e) and Clause 5(g), Clause 6, Clause 7, Clause 8.2, and Clause 9 to Clause 12, in cases where both the data exporter and the data importer have factually disappeared or ceased to exist in law or have become insolvent, unless any successor entity has assumed the entire legal obligations of the data exporter by contract or by operation of law as a result of which it takes on the rights and obligations of the data exporter, in which case the data subject can enforce them against such entity. Such third-party liability of the sub-processor shall be limited to its own processing operations under the Clauses.

The parties do not object to a data subject being represented by an association or other body if the data subject so expressly wishes and if permitted by national law.

4. OBLIGATIONS OF THE DATA EXPORTER

The data exporter agrees and warrants:

(a) that the processing, including the transfer itself, of the personal data has been and will continue to be carried out in accordance with the relevant provisions of the applicable data protection law (and, where applicable, has been notified to the relevant authorities of the Member State where the data exporter is established) and does not violate the relevant provisions of that State;

(b) that it has instructed and throughout the duration of the personal data-processing services will instruct the data importer to process the personal data transferred only on the data exporter's behalf and in accordance with the applicable data protection law and the Clauses;

(c) that the data importer will provide sufficient guarantees in respect of the technical and organizational security measures specified in Annex B to this contract;

(d) that after assessment of the requirements of the applicable data protection law, the security measures are appropriate to protect personal data against accidental or unlawful destruction or accidental loss, alteration, unauthorized disclosure or access, in particular where the processing involves the transmission of data over a network, and against all other unlawful forms of processing, and that these measures ensure a level of security appropriate to the risks presented by the processing and the nature of the data to be protected having regard to the state of the art and the cost of their implementation;

(e) that it will ensure compliance with the security measures;

(f) that, if the transfer involves special categories of data, the data subject has been informed or will be informed before, or as soon as possible after, the transfer that its data could be transmitted to a third country not providing adequate protection within the meaning of Directive 95/46/EC;

(g) to forward any notification received from the data importer or any sub-processor pursuant to Clause 5(b) and Clause 8.3 to the data protection supervisory authority if the data exporter decides to continue the transfer or to lift the suspension;

(h) to make available to the data subjects upon request a copy of the Clauses, with the exception of Annex B and a summary description of the security measures, as well as a copy of any contract for sub-processing services which has to be made in accordance with the Clauses, unless the Clauses or the contract contain commercial information, in which case it may remove such commercial information;

(i) that, in the event of sub-processing, the processing activity is carried out in accordance with Clause 11 by a sub-processor providing at least the same level of protection for the personal data and the rights of data subjects as the data importer under the Clauses; and

(j) that it will ensure compliance with Clause 4(a) to Clause 4(i).

5. OBLIGATIONS OF THE DATA IMPORTER

The data importer agrees and warrants:

- (a)** to process the personal data only on behalf of the data exporter and in compliance with its instructions and the Clauses; if it cannot provide such compliance for whatever reasons, it agrees to inform promptly the data exporter of its inability to comply, in which case the data exporter is entitled to suspend the transfer of data and/or terminate the contract;
- (b)** that it has no reason to believe that the legislation applicable to it prevents it from fulfilling the instructions received from the data exporter and its obligations under the contract and that in the event of a change in this legislation which is likely to have a substantial adverse effect on the warranties and obligations provided by the Clauses, it will promptly notify the change to the data exporter as soon as it is aware, in which case the data exporter is entitled to suspend the transfer of data and/or terminate the contract;
- (c)** that it has implemented the technical and organizational security measures specified in Annex B before processing the personal data transferred;
- (d)** that it will promptly notify the data exporter about:
 - (i)** any legally binding request for disclosure of the personal data by a law enforcement authority unless otherwise prohibited, such as a prohibition under criminal law to preserve the confidentiality of a law enforcement investigation;
 - (ii)** any accidental or unauthorized access; and
 - (iii)** any request received directly from the data subjects without responding to that request, unless it has been otherwise authorized to do so;
- (e)** to deal promptly and properly with all inquiries from the data exporter relating to its processing of the personal data subject to the transfer and to abide by the advice of the supervisory authority with regard to the processing of the data transferred;
- (f)** at the request of the data exporter to submit its data processing facilities for audit of the processing activities covered by the Clauses which shall be carried out by the data exporter or an inspection body composed of independent members and in possession of the required professional qualifications bound by a duty of confidentiality, selected by the data exporter, where applicable, in agreement with the supervisory authority;
- (g)** to make available to the data subject upon request a copy of the Clauses, or any existing contract for sub-processing, unless the Clauses or contract contain commercial information, in which case it may remove such commercial information, with the exception of Annex B which shall be replaced by a summary description of the security measures in those cases where the data subject is unable to obtain a copy from the data exporter;
- (h)** that, in the event of sub-processing, it has previously informed the data exporter and obtained its prior written consent;

- (i) that the processing services by the sub-processor will be carried out in accordance with Clause 11; and
- (j) to send promptly a copy of any sub-processor agreement it concludes under the Clauses to the data exporter.

6. LIABILITY

6.1 The parties agree that any data subject, who has suffered damage as a result of any breach of the obligations referred to in Clause 3 or in Clause 11 by any party or sub-processor is entitled to receive compensation from the data exporter for the damage suffered.

6.2 If a data subject is not able to bring a claim for compensation in accordance with paragraph 1 against the data exporter, arising out of a breach by the data importer or its sub-processor of any of their obligations referred to in Clause 3 or in Clause 11 because the data exporter has factually disappeared or ceased to exist in law or has become insolvent, the data importer agrees that the data subject may issue a claim against the data importer as if it were the data exporter, unless any successor entity has assumed the entire legal obligations of the data exporter by contract or by operation of law, in which case the data subject can enforce its rights against such entity.

The data importer may not rely on a breach by a sub-processor of its obligations in order to avoid its own liabilities.

6.3 If a data subject is not able to bring a claim against the data exporter or the data importer referred to in paragraphs 1 and 2, arising out of a breach by the sub-processor of any of their obligations referred to in Clause 3 or in Clause 11 because both the data exporter and the data importer have factually disappeared or ceased to exist in law or have become insolvent, the sub-processor agrees that the data subject may issue a claim against the data sub-processor with regard to its own processing operations under the Clauses as if it were the data exporter or the data importer, unless any successor entity has assumed the entire legal obligations of the data exporter or data importer by contract or by operation of law, in which case the data subject can enforce its rights against such entity. The liability of the sub-processor shall be limited to its own processing operations under the Clauses.

7. MEDIATION AND JURISDICTION

7.1 The data importer agrees that if the data subject invokes against its third-party beneficiary rights and/or claims compensation for damages under the Clauses, the data importer will accept the decision of the data subject:

- (a) to refer the dispute to mediation, by an independent person or, where applicable, by the supervisory authority;
- (b) to refer the dispute to the courts in the Member State in which the data exporter is established.

7.2 The parties agree that the choice made by the data subject will not prejudice its substantive or procedural rights to seek remedies in accordance with other provisions of national or international law.

8. COOPERATION WITH SUPERVISORY AUTHORITIES

8.1 The data exporter agrees to deposit a copy of this contract with the supervisory authority if it so requests or if such deposit is required under the applicable data protection law.

8.2 The parties agree that the supervisory authority has the right to conduct an audit of the data importer, and of any sub-processor, which has the same scope and is subject to the same conditions as would apply to an audit of the data exporter under the applicable data protection law.

8.3 The data importer shall promptly inform the data exporter about the existence of legislation applicable to it or any sub-processor preventing the conduct of an audit of the data importer, or any sub- processor, pursuant to paragraph 2. In such a case the data exporter shall be entitled to take the measures foreseen in Clause 5(b).

9. GOVERNING LAW

The Clauses shall be governed by the law of the Member State in which the data exporter is established, namely

10. VARIATION OF THE CONTRACT

The parties undertake not to vary or modify the Clauses. This does not preclude the parties from adding clauses on business related issues where required as long as they do not contradict the Clauses.

11. SUB-PROCESSING

11.1 The data importer shall not subcontract any of its processing operations performed on behalf of the data exporter under the Clauses without the prior written consent of the data exporter. Where the data importer subcontracts its obligations under the Clauses, with the consent of the data exporter, it shall do so only by way of a written agreement with the sub-processor which imposes the same obligations on the sub-processor as are imposed on the data importer under the Clauses. Where the sub-processor fails to fulfil its data protection obligations under such written agreement the data importer shall remain fully liable to the data exporter for the performance of the sub-processor's obligations under such agreement.

11.2 The prior written contract between the data importer and the sub-processor shall also provide for a third-party beneficiary clause as laid down in Clause 3 for cases where the data subject is not able to bring the claim for compensation referred to in paragraph 1 of Clause 6 against the data exporter or the data importer because they have factually disappeared or have ceased to exist in law or have become insolvent and no successor entity has assumed the entire legal obligations of the data exporter or data importer by contract or by operation of law. Such third-party liability of the sub-processor shall be limited to its own processing operations under the Clauses.

11.3 The provisions relating to data protection aspects for sub-processing of the contract referred to in paragraph 1 shall be governed by the law of the Member State in which the data exporter is established, namely

11.4 The data exporter shall keep a list of sub-processing agreements concluded under the Clauses and notified by the data importer pursuant to Clause 5(j), which shall be updated at least once a year. The list shall be available to the data exporter's data protection supervisory authority.

12. OBLIGATION AFTER THE TERMINATION OF PERSONAL DATA PROCESSING SERVICES

12.1 The parties agree that on the termination of the provision of data-processing services, the data importer and the sub-processor shall, at the choice of the data exporter, return all the personal data transferred and the copies thereof to the data exporter or shall destroy all the personal data and certify to the data exporter that it has done so, unless legislation imposed upon the data importer prevents it from returning or destroying all or part of the personal data transferred. In that case, the data importer warrants that it will guarantee the confidentiality of the personal data transferred and will not actively process the personal data transferred anymore.

12.2 The data importer and the sub-processor warrant that upon request of the data exporter and/or of the supervisory authority, it will submit its data-processing facilities for an audit of the measures referred to in paragraph 1.

EXHIBIT D: ("FORM OF JOINDER AGREEMENT")

JOINDER AGREEMENT

THIS JOINDER AGREEMENT, dated as of this [DATE], by and among [Exodus Movement, Inc.], a Delaware corporation ("**Issuer**"), Securitize LLC, a Delaware limited liability company ("**Securitize**"), and [Name of Additional Party], a (the "**Additional Party**").

Reference is made to that certain Platform Services, Transfer Agent and Registrar Agreement (the "**Agreement**"), dated as of [], 2020, by and between Issuer and Securitize. All capitalized terms used but not defined in this Joinder Agreement shall have the meanings accorded such terms in the Agreement.

The Additional Party [has issued][will issue] Securities, called [insert class name of Securities], in accordance with the Agreement, subject to the execution of this Joinder Agreement.

By executing this Joinder Agreement, the Additional Party hereby agrees to be bound by the terms of the Agreement as if it were an original Issuer signatory to such Agreement and shall be deemed to be an issuer of Securities thereunder, but only with respect to the Securities referenced in this Joinder Agreement. For the avoidance of doubt, the Additional Party appoints Securitize as transfer agent and registrar for the Securities pursuant to the terms of the Agreement.

[The remainder of this page has been left intentionally blank]

IN WITNESS WHEREOF, the Additional Party has executed this Joinder Agreement under seal as of the date written above.

ADDITIONAL PARTY:

[]

By: _____
Name: _____
Title: _____
Date: _____

ACKNOWLEDGED:

SECURITIZE LLC

By: _____
Name: _____
Title: _____
Date: _____

EXODUS MOVEMENT, INC.

By: _____
Name: _____
Title: _____
Date: _____

ORDER FORM NO. 2

THIS ORDER FORM NO. 2 (this "**Order Form No. 2**") is entered into as of January 14, 2021 ("**Order Form Effective Date**") in accordance with the terms of the **PLATFORM SERVICES, TRANSFER AGENT AND REGISTRAR AGREEMENT**, dated December 23, 2020 (the "**Agreement**"), entered into by and between Securitize LLC, a Delaware limited liability company ("**Securitize**"), and Exodus Movement, Inc., a Delaware corporation ("**Issuer**"). Any capitalized terms below not defined in the Order Form shall have the meanings set forth in the Agreement.

RECITALS

A. Securitize and Issuer have previously signed (i) the Agreement and (ii) the Order Form, dated December 23, 2020 (the "**Original Order Form**").

B. Securitize and Issuer desire to terminate and replace the Original Order Form with this Order Form No. 2 in order to (i) provide additional compensation to Securitize for its KYC/AML process and (ii) to state the KYC/AML flow using Securitize ID.

AGREEMENT

NOW, THEREFORE, in consideration of the recitals, mutual covenants and agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. DESCRIPTION OF ISSUER OFFERING

- Class A Common Stock

2. FEES

Service	Description	Fee	Due Date
Customer Onboarding/Investor Relations Portal available within the Exodus Wallet	<p>Part I: Issuer Management Dashboard</p> <p>Dashboard for issuer to manage investors, issuances, cap tables, admin and transfer agent functions. (note: this is non-investor facing)</p> <p>Part II: Investor On-boarding</p> <p>Securitize APIs for individual investors to access issuer data to accredited investors, non-accredited investors, and international investors in the United States and 50+ countries along with the</p>	\$30,000 (40% Discount)	Due and payable on the Order Form Effective Date.

Service	Description	Fee	Due Date
	<p>requirements for Reg A offerings.</p> <p>Integration of applicable Securitize APIs into the Exodus Wallet, so that (i) investor onboarding can occur by clicking a link in the Exodus Wallet, which will send the investor to a Securitize website to open an account with Securitize and (ii) after completing the onboarding process, the investor will click on a link back to the Exodus Wallet to complete the process of purchasing shares of stock through applicable Securitize APIs.</p>		
Issuance of Securities	Issuance of shares of Class A common stock to investors, which will be reflected by the generation of Digital Tokens	\$10,000	Due and payable prior to any issuance.
Support	Dedicated developer to support integration into the Exodus Wallet, updates, manage feedback, site hosting and maintenance.	\$2,000/month	Invoices to be sent by the 5 th of the month following services
Transfer Agent Services	Cap Table Management, Lost and Stolen Securities and Dividend Distribution Management	0 - 500 Investors: \$750/mo 501 - 1000 Investors: \$1,000/mo 1001 - 2000 Investors: \$1,250/mo 2001+ Investors: \$1,500/mo	Invoices to be sent by the 5 th of the month following services; quantity determined based on the count at the end of the month of services. Invoices are due upon receipt.
KYC/AML	Know-Your-Customer (KYC) and Anti-Money Laundering checks during onboarding of investors	\$500 Annually for Individuals (paid upfront) \$50/entity Each investor that goes through the KYC screening process and either passes or fails will be charged at a rate of \$3.00 per screening; provided, however,	Invoices to be sent by the 5 th of the month following services; quantity determined based on the count at the end of the month of services. Invoices are due upon receipt.

Service	Description	Fee	Due Date
		<p>(i) that if an individual investor fails and restarts the process, the maximum amount of screening fees for such individual investor shall be limited to a maximum of \$15 (for five (5) screening attempts), unless approved in writing by the Issuer and (ii) if there are 50,000 or more investors, then the fee shall be charged at a reduced rate of \$2.00 per screening.</p> <p>In the event that Securitize is required to add additional staffing to support customer inquiries from investors, Issuer will be billed at a rate of \$50 per hour per person required ("Additional Staffing Fees"); provided, however, that (i) Additional Staffing Fees may only be charged by Securitize to Issuer between the Effective Date and the close of business on April 30, 2021 and (ii) Additional Staffing Fees shall not exceed \$200,000 in the aggregate, unless Issuer provides its prior written consent.</p>	
Yearly Tax Form Generation	Preparation of yearly 1099 forms for investors.	\$7.00/year/investor	Due and payable on December 15th of each calendar year.
Distribution Payouts	Distribution of payouts to investors	TBD - fees deducted from investor payment	Due and payable at time of distribution.
Secondary Market Integration Support	Tech integration with secondary marketplaces to manage ongoing compliance around trading and data management	\$250/month/marketplace	Invoices to be sent by the 5 th of the month following services; quantity determined based on the count at the end of the month of services. Invoices are due upon receipt.

Any work or customization requests by Issuer not explicitly described herein shall be subject to additional negotiation and fees. Issuer shall be billed for such fees that are mutually agreed in writing and, denoted in a supplemental Order Form, prior to beginning work on such requests.

Securitize will issue invoices for fees on the applicable Due Date referenced above. Invoices may be sent electronically and delivered to Issuer at:

Issuer:	Exodus Movement, Inc.
ADDRESS:	15418 Weir Street, No. 333
PHONE:	+1 (833) 992-2566
ATTENTION:	Accounting
EMAIL:	accounting@exodus.io

3. ORDER FORM TERM AND RENEWAL.

This Order Form shall be effective on the Order Form Effective Date and shall terminate two (2) years from the Order Form Effective Date (the "Initial Term") unless early terminated pursuant to the terms of the Agreement.

4. INTEGRATION OF APPLICABLE SECURITIZE API INTO EXODUS WALLET.

During the Term of this Agreement, Securitize shall (i) promptly respond to any reasonable inquiries from Issuer with respect to the integration of the applicable Securitize APIs into the Exodus Wallet and (ii) provide Issuer with all of the software APIs and supporting information and documentation that Issuer reasonably requires to integrate the Securitize API into the Exodus Wallet. Securitize shall provide a direct support channel to Issuer, to assist with any issues in relation to the Securitize API and its integration. In integrating the Securitize API into the Exodus Wallet, Issuer shall comply with all applicable statutes and regulations, including, but not limited to, any applicable regulations of, or published guidance from OFAC or any other applicable regulatory authority.

Subject to the other terms and conditions of this Agreement, Securitize grants to Issuer, during the Term of this Agreement, a limited, royalty-free, paid-up, worldwide, non-exclusive, and non-transferable right and license to (i) execute and use Securitize API in the Exodus Wallet, (ii) use Securitize's copyrighted work embodied in the Securitize Platform for the sole purpose of Issuer executing its duties under this Agreement, and (iii) use Securitize's trademark (both word mark and logo) in the Exodus Wallet software application and *exodus.io* website.

Subject to the other terms and conditions of this Agreement, Issuer grants to Securitize, during the Term of this Agreement, a limited, royalty-free, paid-up, worldwide, non-exclusive, and non-transferable right and license to use Issuer's trademark (both word mark and logo) in the Securitize Platform for the sole purpose of Securitize executing its duties under this Agreement.

Securitize and Issuer agree that the integration of the Securitize API into the Exodus Wallet shall be implemented so that (i) investor onboarding can occur by clicking a link in the Exodus Wallet, which will send the investor to the website of Securitize to open an account with Securitize; (ii) after completing the onboarding process, the investor will click on a link back to the Exodus Wallet to complete the process of

purchasing shares of stock through applicable Securitize APIs; (iii) in the Exodus Wallet, the Securitize app (or user interface component) would have an access token that will permit an investor to have continued access to the same session in the Securitize account for 365 days after the initial date of login. (Note: As long as the investor does not invalidate their session in some way, i.e., requiring this for security reasons or because they request a password change on Securitize iD); and (iv) Past the initial session creation, the actions related with the initial gathering of investor information for KYC purposes, as well as the rest of the investment process will be effected from within the Exodus Wallet, communicating the information to Securitize through applicable Securitize APIs. This is notwithstanding Securitize needing to reach the investor in case some clarification needs to be provided on their information for the integrity of the KYC process.

5. EXODUS KYC/AML FLOW USING SECURITIZE ID

1. Exodus applicant creates a Securitize iD (“SiD”) application and submits their documents for review.
2. The KYC process is completed using SiD standard compliance verifications.
3. If the account is not auto-approved, it will be placed in an “Updates Required” status which presents the applicant with the opportunity to provide additional documentation to complete the application.
4. Upon the account being placed in Updates Required, an email is autogenerated and sent to the applicant advising them to login to their Securitize iD Account and upload additional documentation to complete the application.
5. Securitize reserves the right to reject any application based on inactivity.
6. Securitize reserves the right to reject any application using a risk-based approach.


6. TERMINATION OF ORIGINAL ORDER FORM; RATIFICATION AND CONFIRMATION OF AGREEMENT.

This Order Form No. 2 shall terminate and replace the Original Order Form, as of the Effective Date. Notwithstanding the foregoing, all of the terms, conditions and covenants of the Agreement are hereby ratified and confirmed and shall remain unaltered and in full force and effect and shall be binding upon the parties to this Amendment in all respects. The Agreement and this Order Form No. 2 shall be read, taken and combined as one and the same Agreement.

This Order Form No. 2 shall be governed by and construed and enforced in accordance with the laws of the State of Delaware without reference to conflicts of laws principles thereof. This Order Form No. 2 may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute one agreement which is binding upon all parties hereto, notwithstanding that all parties are not signatories to the same counterpart. This Order Form No. 2 may be executed by electronic, facsimile or scanned signatures which shall be deemed to have the same force and effect as an original signature.

IN WITNESS WHEREOF, the Parties acknowledge that each has fully read and understood this Order Form, and intending to be legally bound thereby, executed this Agreement on the date set forth below.

SECURITIZE LLC

By: 
Name: James Finn
Title: Co-Founder / President
Date: January 14, 2021

EXODUS MOVEMENT, INC.

By: 
Name: Sebastian Milla
Title: Chief Operating Officer
Date: January 14, 2021

CONSENT OF INDEPENDENT AUDITOR'S

We consent to the use, in this Offering Statement on Form 1-A, as amended, of our independent auditor's report dated February 26, 2021, with respect to the audited consolidated balance sheets of Exodus Movement, Inc. as of December 31, 2020 and 2019 and the related consolidated statements of operations, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements. Our report includes explanatory paragraphs as to the uncertainties related to cryptocurrency assets.

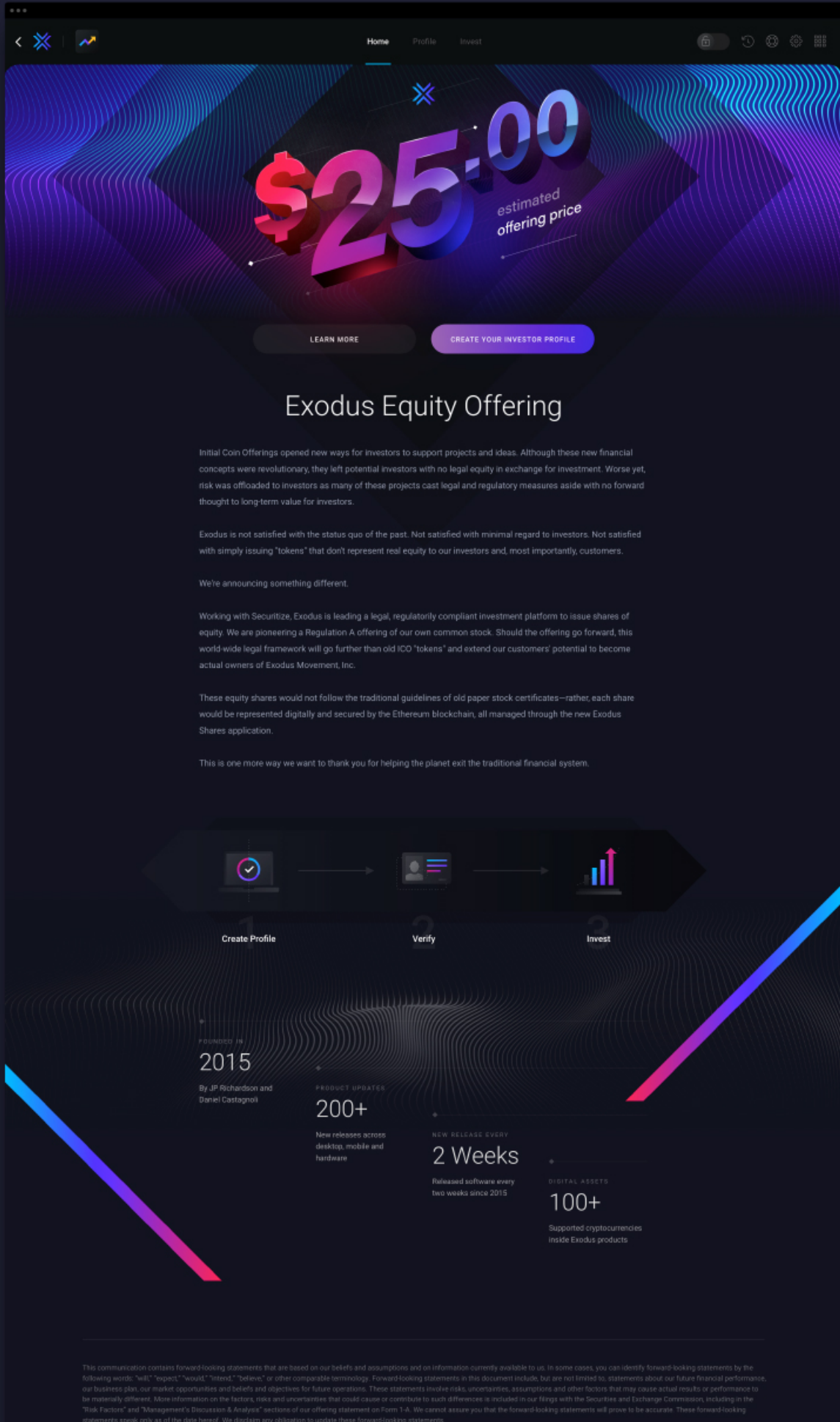
We also consent to the reference to us under the caption "Experts" in the Offering Circular.

/s/ WithumSmith+Brown, PC

New York, New York
February 26, 2021

Exodus Shares





The landing page features a dark blue background with a vibrant, multi-colored wavy pattern in shades of blue, purple, and pink. At the top, a navigation bar includes a home icon, a profile icon, and an invest icon. The main header area displays a large, 3D-style "\$25.00" in the center, with the text "estimated offering price" to its right. Below this, two buttons are visible: "LEARN MORE" and "CREATE YOUR INVESTOR PROFILE".

Exodus Equity Offering

Initial Coin Offerings opened new ways for investors to support projects and ideas. Although these new financial concepts were revolutionary, they left potential investors with no legal equity in exchange for investment. Worse yet, risk was offloaded to investors as many of these projects cast legal and regulatory measures aside with no forward thought to long-term value for investors.




Exodus is not satisfied with the status quo of the past. Not satisfied with minimal regard to investors. Not satisfied with simply issuing "tokens" that don't represent real equity to our investors and, most importantly, customers.

We're announcing something different.

Working with Securitize, Exodus is leading a legal, regulatorily compliant investment platform to issue shares of equity. We are pioneering a Regulation A offering of our own common stock. Should the offering go forward, this world-wide legal framework will go further than old ICO "tokens" and extend our customers' potential to become actual owners of Exodus Movement, Inc.

These equity shares would not follow the traditional guidelines of old paper stock certificates—rather, each share would be represented digitally and secured by the Ethereum blockchain, all managed through the new Exodus Shares application.

This is one more way we want to thank you for helping the planet exit the traditional financial system.

1
Create Profile

2
Verify

3
Invest

FOUNDED IN

2015

By JP Richardson and Daniel Castagnoli

PRODUCT UPDATES

200+

New releases across desktop, mobile and hardware

NEW RELEASE EVERY

2 Weeks

Released software every two weeks since 2015

DIGITAL ASSETS

100+

Supported cryptocurrencies inside Exodus products

This communication contains forward-looking statements that are based on our beliefs and assumptions and on information currently available to us. In some cases, you can identify forward-looking statements by the following words: "will," "expect," "would," "intend," "believe," or other comparable terminology. Forward-looking statements in this document include, but are not limited to, statements about our future financial performance, our business plan, our market opportunities and beliefs and objectives for future operations. These statements involve risks, uncertainties, assumptions and other factors that may cause actual results or performance to be materially different. More information on the factors, risks and uncertainties that could cause or contribute to such differences is included in our filings with the Securities and Exchange Commission, including in the "Risk Factors" and "Management's Discussion & Analysis" sections of our offering statement on Form 1-A. We cannot assure you that the forward-looking statements will prove to be accurate. These forward-looking statements speak only as of the date hereof. We disclaim any obligation to update these forward-looking statements.

No money or other consideration is being solicited, and if sent in response, will not be accepted. No offer to buy shares of Enxosa's Class A common stock can be accepted and no part of any purchase price can be received until an offering statement is qualified pursuant to the Securities Act of 1933, as amended, and any such offer may be withdrawn or revoked, without obligation or commitment of any kind, at any time before notice of its acceptance given after the qualification date. A person's indication of interest involves no obligation or commitment of any kind.

No offer to sell securities or solicitation of an offer to buy securities is being made in any state where such offer or sale is not permitted under the blue sky or state securities laws thereof. No offering is being made to individual investors unless and until the offering has been registered in that state or an exemption from registration exists. Enxosa intends to complete an offering under Tier 2 of Regulation A and therefore intends to be exempted from state registration pursuant to federal law. Although an exemption from registration under state law may be available, Enxosa may still be required to provide a notice filing and pay a fee in individual states. No offer to sell securities or solicitation of an offer to buy securities is being made in any international jurisdiction where such offer or sale is not permitted under the securities laws thereof. No offering is being made to individual investors unless and until the offering has been approved by a competent authority in such international jurisdiction or is made in accordance with an exemption from the relevant international jurisdiction's securities laws.

HomeProfileInvest

\$25.00

estimated offering price

You indicated an interest in purchasing 840 Exodus shares for \$21,000.

LEARN MOREUPDATE YOUR INTEREST

Exodus Equity Offering

Initial Coin Offerings opened new ways for investors to support projects and ideas. Although these new financial concepts were revolutionary, they left potential investors with no legal equity in exchange for investment. Worse yet, risk was offloaded to investors as many of these projects cast legal and regulatory measures aside with no forward thought to long term value for investors.

Exodus is not satisfied with the status quo of the past. Not satisfied with minimal regard to investors. Not satisfied with simply issuing "tokens" that don't represent real equity to our investors and, most importantly, customers.

We're announcing something different.

Working with Securitize, Exodus is leading a legal, regulatorily compliant investment platform to issue shares of equity. We are pioneering a Regulation A offering of our own common stock. Should the offering go forward, this world-wide legal framework will go further than old ICO "tokens" and extend our customers' potential to become actual owners of Exodus Movement, Inc.

These equity shares would not follow the traditional guidelines of old paper stock certificates—rather, each share would be represented digitally and secured by the Ethereum blockchain, all managed through the new Exodus Shares application.

This is one more way we want to thank you for helping the planet exit the traditional financial system.

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2015

By JP Richardson and Daniel Castagnoli

PRODUCT UPDATES

200+

New releases across desktop, mobile and hardware

NEW RELEASE EVERY

2 Weeks

Released software every two weeks since 2015

DIGITAL ASSETS

100+

Supported cryptocurrencies inside Exodus products

This communication contains forward-looking statements that are based on our beliefs and assumptions and on information currently available to us. In some cases, you can identify forward-looking statements by the following words: "will," "expect," "would," "intend," "believe," or other comparable terminology. Forward-looking statements in this document include, but are not limited to, statements about our future financial performance.

our securities price, our financial performance and stock price negative for future operations. These statements, which include our risks, uncertainties, future plans and other factors that may cause actual results to differ materially from those anticipated, are forward-looking statements. More information on the factors, risks and uncertainties that could cause or contribute to such differences is included in our filings with the Securities and Exchange Commission, including in the "Risk Factors" and "Management's Discussion & Analysis" sections of our offering statement on Form F-1A. We cannot assure you that the forward-looking statements will prove to be accurate. These forward-looking statements speak only as of the date hereof. We disclaim any obligation to update these forward-looking statements.

No money or other consideration is being solicited, and if sent in response, will not be accepted. No offer to buy shares of Exoskt's Class A common stock can be accepted and no part of any purchase price can be received until an offering statement is qualified pursuant to the Securities Act of 1933, as amended, and any such offer may be withdrawn or revoked, without obligation or commitment of any kind, at any time before notice of its acceptance given after the qualification date. A person's indication of interest involves no obligation or commitment of any kind.

No offer to sell securities or solicitation of an offer to buy securities is being made in any state where such offer or sale is not permitted under the blue sky or state securities laws thereof. No offering is being made to individual investors unless and until the offering has been registered in that state or an exemption from registration exists. Exoskt intends to complete an offering under Tier 2 of Regulation A and therefore intends to be exempted from state registration pursuant to federal law. Although an exemption from registration under state law may be available, Exoskt may still be required to provide a notice filing and pay a fee in individual states. No offer to sell securities or solicitation of an offer to buy securities is being made in any international jurisdiction where such offer or sale is not permitted under the securities laws thereof. No offering is being made to individual investors unless and until the offering has been approved by a competent authority in such international jurisdiction or is made in accordance with an exemption from the relevant international jurisdiction's securities laws.

HomeProfileInvest

Your Investor Profile

Manage your identity and investor qualifications to protect your investment.

✓

Step 1: Securitize iD

Register as an investor by linking a Securitize iD to your wallet.

john.doe@gmail.com

UNLINK

✓

Step 2: Verification Status

Verify your identity through Securitize.

Verified

REVIEW

Step 3: Investor Qualification

Indicate your investor type, legal and regulatory status.

SET

This communication contains forward-looking statements that are based on our beliefs and assumptions and on information currently available to us. In some cases, you can identify forward-looking statements by the following words: "will," "expect," "would," "intend," "believe," or other comparable terminology. Forward-looking statements in this document include, but are not limited to, statements about our future financial performance, our business plan, our market opportunities and beliefs and objectives for future operations. These statements involve risks, uncertainties, assumptions and other factors that may cause actual results or performance to be materially different. More information on the factors, risks and uncertainties that could cause or contribute to such differences is included in our filings with the Securities and Exchange Commission, including in the "Risk Factors" and "Management's Discussion & Analysis" sections of our offering statement on Form 1-A. We cannot assure you that the forward-looking statements will prove to be accurate. These forward-looking statements speak only as of the date hereof. We disclaim any obligation to update these forward-looking statements.


No money or other consideration is being solicited, and if sent in response, will not be accepted. No offer to buy shares of Exodus's Class A common stock can be accepted and no part of any purchase price can be received until an offering statement is qualified pursuant to the Securities Act of 1933, as amended, and any such offer may be withdrawn or revoked, without obligation or commitment of any kind, at any time before notice of its acceptance given after the qualification date. A person's indication of interest involves no obligation or commitment of any kind.

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
✕

Your Investor Qualification

You can participate in this offering as an "Accredited Investor" or a "Qualified Purchaser".



I am an
Accredited Investor




I am a
Qualified Purchaser


×

Your Investor Qualification

You can participate in this offering as an "Accredited Investor" or a "Qualified Purchaser".



I am an
Accredited Investor



I am a
Qualified Purchaser

Accredited Investor Status

I confirm that I am an "Accredited Investor", within the meaning of Rule 501(a) under the Securities Act, based on the fact that (check all that apply):

☐

I am an individual who has a net worth, either individually or on a joint basis with my spouse, of at least \$1,000,000, excluding the value of my primary residence.

☐

I am an individual who has had individual income in excess of \$200,000 for each of the two most recent years, or joint income with my spouse in excess of \$300,000 in each of those years, and I have a reasonable expectation of reaching the same income level in the current year.

☐

I am a director, executive officer or equivalent of Exodus Movement, Inc.


CONFIRM

...


×

Your Investor Qualification

You can participate in this offering as an "Accredited Investor" or a "Qualified Purchaser".



I am an
Accredited Investor



I am a
Qualified Purchaser

Accredited Investor Status

I confirm that I am an "Accredited Investor", within the meaning of Rule 501(a) under the Securities Act, based on the fact that (check all that apply):

☐

I am a trust, with total assets in excess of \$5,000,000, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(i) under the Securities Act, and I will not hold more than 40% of the total value of my assets in the Class A common stock after such purchase of the Class A common stock.

☐

I am a corporation, California, Delaware or similar business trust, or partnership, with total assets in excess of \$5,000,000, and I will not hold more than 40% of the total value of my assets in the Class A common stock after such purchase of the Class A common stock.

☐

I am a private business development company as defined in Section 202(a)(22) of the U.S. Investment Advisers Act of 1940, as amended.

☐

I am a bank as defined in Section 3(a)(2) of the Securities Act, or a savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act, whether acting in its individual or fiduciary capacity.

☐

I am a broker or dealer registered pursuant to Section 15 of the U.S. Securities Exchange Act of 1934, as amended.

☐

I am an insurance company as defined in Section 2(13) of the Securities Act.

☐

I am an investment company registered under the U.S. Investment Company Act of 1940, as amended, or a business development company as defined in Section 2(a)(48) of the Investment Company Act.

☐

I am a small business investment company licensed by the Small Business Administration under Section 301(c) or (d) of the U.S. Small Business Investment Act of 1958.

☐


I am an entity in which all of the equity owners are "Accredited Investors."

CONFIRM


×

Your Investor Qualification

You can participate in this offering as an "Accredited Investor" or a "Qualified Purchaser".



I am an
Accredited Investor



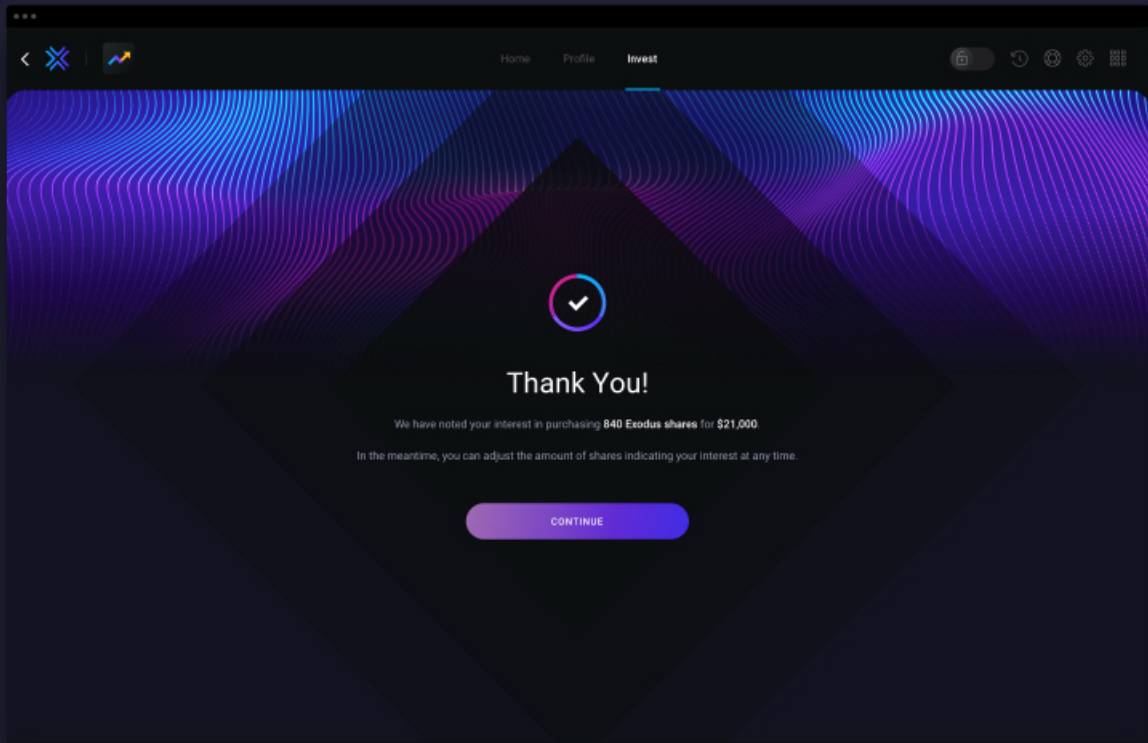
I am a
Qualified Purchaser

Qualified Purchaser Status

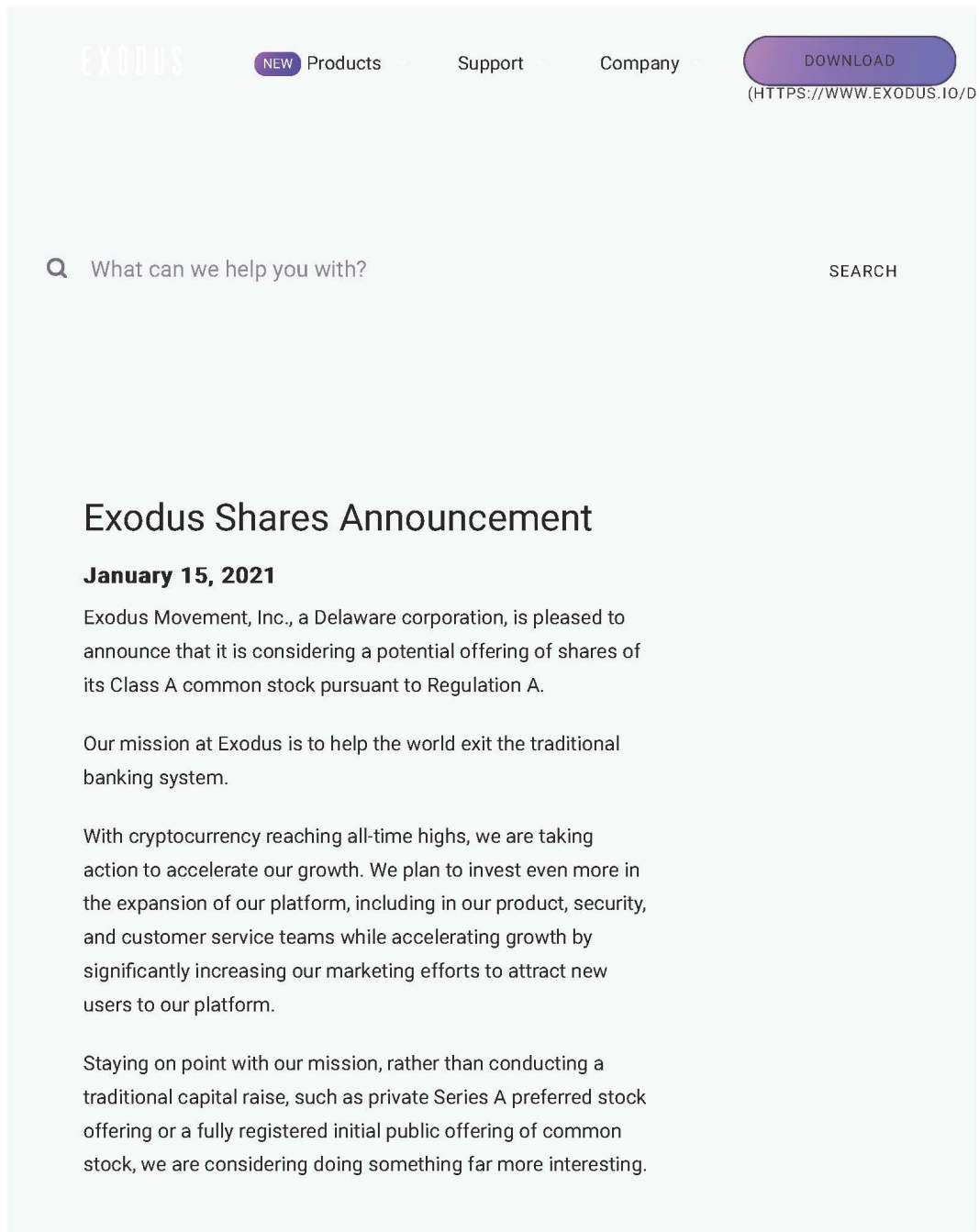
I confirm that I am a "Qualified Purchaser", as defined in Regulation A of the Securities Act, based on the fact that (check all that apply):

☐ I am a business or other formed entity, not an individual, and I will not invest in the Class A common stock more than 10% of my revenue for the most recently completed fiscal year or more than 10% of my net assets for the most recently completed fiscal year.

CONFIRM







We are currently evaluating other potential financing options that would empower our customers to participate in our capital raise.

As such, we are considering raising capital through a “mini-IPO” Regulation A offering of our Class A common stock, with subscriptions made directly from within the Exodus Wallet. We believe this has the potential to revolutionize fundraising. To that end, we intend to launch an exciting new app inside of the Exodus Wallet called “Shares” to test the waters for interest in a potential Regulation A offering. The Shares App will be launched on January 15, 2021.

Exodus is currently considering conducting an offering of up to \$50 million of shares of its Class A common stock to be offered to the public in the following manner:

- Subscriptions for the shares of Class A common stock would be made through the desktop version of the Shares App of the Exodus Wallet. The Exodus Wallet with the Shares App is currently available for download on the exodus.io website.
 - Subscriptions for the shares would be paid for with Bitcoin (BTC), Ethereum (ETH) and USD Coin (USDC).
 - Securitize, Inc., a Delaware corporation, would be the transfer agent for the shares.
 - The shares would be represented by digital Common Stock Tokens on the Ethereum blockchain and would be held in the Exodus Wallet. The ownership and transfer of the shares will be recorded on the Ethereum blockchain using the Common Stock Tokens.
-

Exodus is the maker of the Exodus Wallet, which provides an easy-to-use interface that enables our customers to manage their crypto assets on their desktop computers and mobile phones or transfer their assets to physical storage devices such as Trezor for added security.

The Exodus Wallet is non-custodial, meaning that our customers' private keys are encrypted locally on their own devices and Exodus can never access or take control of our customers' funds. Since the creation of the Exodus Wallet, we estimate that we have had approximately 1.25 million customers with funded wallets across our desktop and mobile platforms.

Our desktop platform was first released in December 2015 to address an underserved market opportunity by allowing customers to access advanced wallet technology on the desktop. Our website averages approximately 154,975 visitors per month, with a ratio of visits to unique clicks to download the desktop platform of 27%. As of August 2020, we had a cumulative total of over 3.5 million unique clicks on our website to download our desktop platform.

Since January 2020, approximately 65% of people who downloaded our desktop platform have activated it, resulting in 190,800 new customers. We have continually achieved this ratio with extremely limited marketing spend. A customer can easily download the desktop version of the Exodus Wallet from our website, open the desktop wallet once downloaded and immediately begin managing crypto assets, with no registration or log-in information required. We offer the desktop version of the Exodus Wallet to customers as a free download. We derive our revenues from API integration fees (both transaction- and non-transaction-based) that we charge to third parties who develop applications that our customers can access from the Exodus Wallet through an API.

Dedicated to product development and customer service, Exodus has been successfully executing our business model. Q3 2020 delivered our strongest quarterly performance in recent history. In a few weeks, we expect to report that Q4 2020 was even better. For the entire year of 2020, we expect revenue to exceed \$20 million.

This communication contains forward-looking statements that are based on our beliefs and assumptions and on information currently available to us. In some cases, you can identify forward-looking statements by the following words: "will," "expect," "would," "intend," "believe," or other comparable terminology. Forward-looking statements in this document include, but are not limited to, statements about our future financial performance, our business plan, our market opportunities and beliefs and objectives for future operations. These statements involve risks, uncertainties, assumptions and other factors that may cause actual results or performance to be materially different. We cannot assure you that the forward-looking statements will prove to be accurate. These forward-looking statements speak only as of the date hereof. We disclaim any obligation to update these forward-looking statements.

No money or other consideration is being solicited, and if sent in response, will not be accepted. No offer to buy shares of Exodus's Class A common stock can be accepted and no part of any purchase price can be received until an offering statement is qualified pursuant to the Securities Act of 1933, as amended, and any such offer may be withdrawn or revoked, without obligation or commitment of any kind, at any time before notice of its acceptance given after the qualification date. A person's indication of interest involves no obligation or commitment of any kind.

No offer to sell securities or solicitation of an offer to buy securities is being made in any state where such offer or sale is not permitted under the blue sky or state securities laws thereof. No offering is being made to individual investors unless and until the offering has been registered in that state or an exemption from registration exists. Exodus intends to complete an offering under Tier 2 of

Regulation A and therefore intends to be exempted from state registration pursuant to federal law. Although an exemption from registration under state law may be available, Exodus may still be required to provide a notice filing and pay a fee in individual states. No offer to sell securities or solicitation of an offer to buy securities is being made in any international jurisdiction where such offer or sale is not permitted under the securities laws thereof. No offering is being made to individual investors unless and until the offering has been approved by a competent authority in such international jurisdiction or is made in accordance with an exemption from the relevant international jurisdiction's securities laws.

Contacts

Press: press@exodus.io (<mailto:press@exodus.io>)


Investor Relations: Moriah Shilton or Kirsten Chapman, LHA


Investor Relations, 415-433-3777 or exodus@lhai.com

Questions? Need more assistance? Send us an email at support@exodus.io (<mailto:support@exodus.io>). We promise quick human help!

Did this answer your question?



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Exodus Shares FAQ

Read the Exodus **Exodus Shares Announcement** ([//support.exodus.io/article/1530-introducing-exodus-shares](https://support.exodus.io/article/1530-introducing-exodus-shares)).

In this Article:

- What is happening? (#about)
- Why might I be interested in being part of Exodus' growth? (#why-growth)
- Why are you looking to raise capital? (#why-raise-capital)
- How do I indicate my interest in
- I am located internationally, can I also buy? (#international-interest)
- How do you make money? (#about-make-money)
- How can I learn more about the company and your

- a potential offering? (#interest)
- Can I buy shares of Exodus' Class A common stock right now? (#can-buy)
 - If Exodus decides to go ahead with this Regulation A offering, when and where would I be able to purchase shares? (#if-decides)
 - Why are you considering this route versus a more traditional registered IPO? (#about-route)
 - If you decide to conduct this Regulation A offering, where will the shares trade? (#where-trade)
 - Will you keep people who are interested updated on your progress? (#update-progress)
- business model? (#learn-more)
- Coinbase is doing a traditional IPO, why aren't you? (#coinbase-exodus)
 - Bitcoin is going gangbusters. What happens to you when Bitcoin drops? (#bitcoin-drop)
 - How can I ask more questions? (#more-questions)
 - Where can I find more information about Securitize? (#securitize-faq)
 - Will you use the Exodus model of going public for other companies? (#exodus-model)

What is happening?

We are considering conducting a potential offering of shares of our common stock pursuant to Regulation A.

We are currently considering conducting a potential offering of up to \$50 million of shares of our Class A common stock to be offered to the public in the following manner:

- Subscriptions for the shares of Class A common stock
-

would be made through the desktop version of the Shares App of the Exodus Wallet. The Exodus Wallet with the Shares App is currently available for download on the exodus.io website.

- Subscriptions for the shares would be paid for with Bitcoin (BTC), Ethereum (ETH) and USD Coin (USDC).
- Securitize, Inc., a Delaware corporation, would be the transfer agent for the Shares.
- The shares would be represented by digital Common Stock Tokens on the Ethereum blockchain and would be held in the Exodus Wallet. The ownership and transfer of the shares will be recorded on the Ethereum blockchain using the Common Stock Tokens

Our mission at Exodus is to help the world exit the traditional financial system.

With cryptocurrency reaching all-time highs, we are taking action to accelerate our growth. We plan to invest even more in the expansion of our platform, including in our product, security, and customer service teams while accelerating growth by significantly increasing our marketing efforts to attract new users to our platform.

Staying on point with our mission, rather than conducting a traditional capital raise, such as a private Series A preferred stock offering or a fully registered initial public offering of common stock, we are considering doing something far more interesting. We are currently evaluating a more user-friendly financing option that would empower our customers to participate in our capital raise.

As such, we are considering raising capital through a potential “mini-IPO” Regulation A offering of our Class A common stock, with subscriptions made directly from within the Exodus Wallet. We believe this has the potential to revolutionize fundraising. To that end, we intend to launch an exciting new app inside of the Exodus Wallet called “Shares” to test the waters for interest in a Regulation A offering. The Shares App will be launched on January 15, 2021.

Why might I be interested in being part of Exodus’ growth?

Exodus enables consumers to manage many forms of cryptocurrency in a non-custodial interface. With cryptocurrency reaching all-time highs, we are taking action to accelerate our growth. Exodus is already performing well. We expect Q4 2020 to be even stronger than Q3 2020, which had been our highest in recent history, and our 2020 revenue is expected to exceed \$20 million. Going forward, we plan to invest even more in the expansion of our platform, including on product, security, and customer service teams, while accelerating growth by significantly increasing our marketing efforts to attract additional users to our platform. We are excited about our future and we want to know if you might be interested in being a part of it.

Why are you looking to raise capital?

We are looking to accelerate growth and further invest in the expansion of our platform, including in software development and marketing. Through our process of testing the waters for a potential Regulation A offering, we are investigating means to empower users to also participate in Exodus’ growth. Rather

than a traditional capital raise, such as a fully registered IPO or private Series A preferred stock offering, we are considering raising capital through an SEC-qualified offering pursuant to Regulation A in a way that would utilize blockchain technology and a crypto token from within our wallet. Our Shares app became available on January 15, 2021, and the mobile launch is targeted for January 28, 2021.

How do I indicate my interest in a potential offering?

You'll need to go to the Shares App inside your Exodus wallet, from here you'll be able to complete your investor profile and indicate interest.

Can I buy shares of Exodus' Class A common stock right now?

At this time, we are not offering or selling any shares of our Class A common stock. We are currently testing the waters to determine whether there would be interest in a potential Regulation A offering of our Class A common stock. If you would like to let us know that you would be interested in this potential offering, please go to the Exodus Wallet and install the Shares app, from there you'll be able to set up your Securitize ID and register your potential interest.

If Exodus decides to go ahead with this Regulation A offering, when and where would I be able to purchase shares?

We are considering raising capital through an SEC-qualified offering pursuant to Regulation A in a way that would utilize blockchain technology and a crypto token from within our wallet and are currently testing the waters for interest. We may decide not to undertake a Regulation A offering or any other form of offering. Should we decide to move ahead with the Regulation A offering, if you have registered your interest through the Exodus Platform, we will be able to inform you about further developments when they occur.

Why are you considering this route versus a more traditional registered IPO?

Due to our positive performance to date, rather than conduct a private Series A preferred stock offering or fully registered IPO, we are exploring other financing options that, consistent with our mission, would empower our customers to participate in our capital raise. As such, we are considering raising capital through an SEC-qualified offering pursuant to Regulation A in a way that would utilize blockchain technology and a crypto token from within our wallet. We believe this has the potential to revolutionize fundraising.

If you decide to conduct this Regulation A offering, where will the shares trade?

At this time, we are not sure whether there would be a place for shares of our Class A common stock to trade if we conduct a Regulation A offering. We do not intend to list our common stock on a stock exchange. However, we are reviewing the possibility that shares of our common stock may be able to

trade on an alternative trading system, or ATS. If you have registered your interest through the Exodus Platform, we can keep you informed about further developments when they occur.

Will you keep people who are interested updated on your progress?

Yes - first you can register your interest in the Shares app. Also, you can sign up for our newsletter to keep informed. Link to sign up: <http://exodus.io/newsletter> (<http://exodus.io/newsletter>)

I am located internationally; can I also buy?

We are exploring the possibility of offering shares of our common stock internationally. If you are located internationally and would like to let us know that you would be interested in this potential offering, please go to the Exodus Wallet and install the Shares app. From there, you'll be able to set up your Securitize ID and register your potential interest.

How do you make money?

We derive our revenues from API integration fees (both transaction- and non-transaction-based) that we charge to third parties who develop applications that our customers can access from the Exodus Wallet through an API.

How can I learn more about the company and your business model?

Exodus is the maker of the Exodus Wallet, which provides an easy-to-use interface that enables our customers to manage their crypto assets on their desktop computers and mobile phones or transfer their assets to physical storage devices such as Trezor for added security.

The Exodus Wallet is non-custodial, meaning that our customers' private keys are encrypted locally on their own devices and Exodus can never access or take control of our customers' funds. We derive our revenues from API integration fees (both transaction- and non-transaction-based) that we charge to third parties who develop applications that our customers can access from the Exodus Wallet through an API.

Our desktop platform was first released in December 2015 to address an underserved market opportunity by allowing customers to access advanced wallet technology on the desktop. Since the creation of the Exodus Wallet, we estimate that we have had approximately 1.25 million customers with funded wallets across our desktop and mobile platforms.

- Our website averages approximately 154,975 visitors per month, with a ratio of visits to unique clicks to download the desktop platform of 27%. As of August 2020, we had a cumulative total of over 3.5 million unique clicks on our website to download our desktop platform.
- Since January 2020, approximately 65% of people who downloaded our desktop platform have activated it, resulting in 190,800 new customers. We have continually achieved this ratio with extremely limited marketing spend.

You can learn more about our company and its products by going to our website here ([//support.exodus.io/category/91-company](https://support.exodus.io/category/91-company)) or our YouTube channel

(<https://www.youtube.com/channel/UCpwUeFzkWEduSoxpil1UsA>).

Coinbase is doing a traditional IPO, why aren't you?

Rather than conducting a traditional capital raise, such as a fully registered IPO or private Series A preferred stock offering, we are considering something that would utilize blockchain and cryptocurrency from within our wallet. With this testing the waters for a potential Regulation A offering, we are investigating means to empower users to also participate in Exodus' growth.

Bitcoin is going gangbusters. What happens to you when Bitcoin drops?

The Exodus Wallet enables our customers to manage **multiple** crypto assets on their desktop computers and mobile phones or transfer their assets to physical storage devices such as Trezor for added security and is not tied to one singular cryptocurrency.

How can I ask more questions?

Should we move ahead with the potential Regulation A offering, our transfer agent will be Securitize, who can be reached at InvestorSupport@securitize.io (mailto:InvestorSupport@securitize.io), and will be able to help you set up your Securitize ID and register your potential interest.

We have engaged an investor relations firm, LHA Investor Relations, to help ensure that our investors receive prompt responses about other aspects of the Regulation A offering should we move forward. Moriah Shilton and Kirsten Chapman can be reached directly at exodus@lhai.com or 415-433-3777.

Where can I find more information about Securitize?

More information about Securitize can be found HERE (<https://www.securitize.io/>).

Will you use the Exodus model of going public for other companies?

We are considering offering shares of our Class A common stock in this manner. Should we choose to conduct a Regulation A offering of our Class A common stock and use the Exodus wallet, it is possible that we could offer a similar product for other companies that want to use this format.

This communication contains forward-looking statements that are based on our beliefs and assumptions and on information currently available to us. In some cases, you can identify forward-looking statements by the following words: "will," "expect," "would," "intend," "believe," or other comparable terminology. Forward-looking statements in this document include, but are not limited to, statements about our future financial performance, our business plan, our market opportunities and beliefs and objectives for future operations. These statements involve risks, uncertainties, assumptions and other factors that may cause actual results or performance to be materially different. We cannot assure you

that the forward-looking statements will prove to be accurate. These forward-looking statements speak only as of the date hereof. We disclaim any obligation to update these forward-looking statements.

No money or other consideration is being solicited, and if sent in response, will not be accepted. No offer to buy shares of Exodus's Class A common stock can be accepted and no part of any purchase price can be received until an offering statement is qualified pursuant to the Securities Act of 1933, as amended, and any such offer may be withdrawn or revoked, without obligation or commitment of any kind, at any time before notice of its acceptance given after the qualification date. A person's indication of interest involves no obligation or commitment of any kind.

No offer to sell securities or solicitation of an offer to buy securities is being made in any state where such offer or sale is not permitted under the blue sky or state securities laws thereof. No offering is being made to individual investors unless and until the offering has been registered in that state or an exemption from registration exists. Exodus intends to complete an offering under Tier 2 of Regulation A and therefore intends to be exempted from state registration pursuant to federal law. Although an exemption from registration under state law may be available, Exodus may still be required to provide a notice filing and pay a fee in individual states. No offer to sell securities or solicitation of an offer to buy securities is being made in any international jurisdiction where such offer or sale is not permitted under the securities laws thereof. No offering is being made to individual investors unless and until the offering has been approved by a competent authority in such international jurisdiction or is made in accordance with an exemption from the relevant international jurisdiction's securities laws.

Questions? Need more assistance? Send us an email at support@exodus.io (mailto:support@exodus.io). We promise quick human help!

Did this answer your question?



[~] ↑ **jprichardson** 3 points 8 days ago*



Hi, CEO of Exodus here.

It's clear we miscommunicated the difference between "accredited investor" and "qualified purchaser".

Our intent is to make this potential offering available to those who are accredited investors and non-accredited investors. This access is similar to traditional public markets i.e. you don't have to be rich.

I'll take this feedback back to the team and we'll make this more clear.

Edit:

(removed "may have" in reference to our miscommunication)

We'll get the FAQ updated to add more definition of a "qualified purchaser": <https://support.exodus.io/article/1526-getting-started-with-exodus-shares>

Something along these lines:

"Qualified Purchaser" is either (i) an accredited investor with no quantitative purchase limits and (ii) a non-accredited investor, with purchases generally limited to 10% of net worth or income.

Edit 2:

<https://support.exodus.io/article/1539-disclosures-of-exodus-movement-inc>

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[~] ↑ **Setvin** 1 point 8 days ago



Clearly your customers are at fault for not understanding, right?

While I know most CEOs are known for their incredible empathy - your tone seems a bit more annoyed than apologetic.

permalink embed save parent **report** give award **reply**

[~] ↑ **jprichardson** 3 points 8 days ago*



Hi Setvin. I appreciate your feedback.

Last night, I saw all these messages and wanted to fire out a response immediately, but knowing that this potential offering is SEC-regulated, I knew I needed to be very careful with my words, so I hastily made my post boring and lacking empathy. This was a bad decision on my part.

Since this potential offering is SEC-regulated, it still doesn't mean I can't show empathy and I certainly don't need to write dry responses that have an annoyed tone.

Thank you again. I'll carry this feedback into my next response.

Edit:

<https://support.exodus.io/article/1539-disclosures-of-exodus-movement-inc>

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Tweet

**JP Richardson (Exodus)**

@jprichardson



Thousands have already registered within 24 hours.

With ZERO marketing.

Exodus will redefine capital markets.

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support.exodus.io





Tweet



JP Richardson (Exodus)

@jprichardson



Thousands more have registered since I tweeted.

Close to knocking on the door of 10,000.

All with ZERO marketing.

If you use an updated Exodus desktop, you're already in the know.

If you use Exodus mobile, you'll be in the know in one week.



JP Richardson (Exodus) @jprichardson · Jan 16

Thousands have already registered within 24 hours.

With ZERO marketing.

Exodus will redefine capital markets.

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4 Retweets **18** Likes



JP Richardson (Exodus) @jprichardson · Now



Replying to @jprichardson



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